

# **The Irish Times Designated Activity Company**

Directors' report and consolidated financial statements for the financial year ended 31 December 2019

**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019

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## THE IRISH TIMES DESIGNATED ACTIVITY COMPANY

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### COMPANY INFORMATION

DIRECTORS	Brian Caulfield ( <i>resigned 17 May 2019</i> ) Clare Duignan Dan Flinter Shay Garvey ( <i>appointed 1 May 2019</i> ) John Hegarty Liam Kavanagh Peter McLoone Caitriona Murphy Rhona Murphy Paul O'Neill Terence O'Rourke Deirdre Veldon
SECRETARY	Colum Dunne
REGISTERED OFFICE	The Irish Times Building, 24/28 Tara Street, Dublin 2.
REGISTERED NUMBER OF INCORPORATION	2514
SOLICITORS	William Fry, Fitzwilton House, Wilton Place, Dublin 2.  Hayes, Lavery House, Earlsfort Terrace, Dublin 2.
PRINCIPAL BANKERS	Bank of Ireland, College Green, Dublin 2.
AUDITOR	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2.

**DIRECTORS' REPORT**

**for the financial year ended 31 December 2019**

The directors present herewith their annual report and audited consolidated financial statements for the financial year ended 31 December 2019.

*PRINCIPAL ACTIVITY, BUSINESS REVIEW AND LIKELY FUTURE DEVELOPMENTS*

The principal activities of The Irish Times are digital and print publishing, the marketing and sale of digital subscriptions and newspapers, printing, radio broadcasting and other digital activities.

Annual Turnover grew by +17% in 2019 with Group Operating Profit before Exceptional Costs improving by +46%. 2019 results include a full year of trading from The Examiner Group.

Revenues from consumer content grew by +25%. Our strategy to grow direct consumer relationships is having a positive impact with Digital revenue showing further improvement of +16%. We had 89,688 home delivery and digital subscribers at the end of 2019. Profitability improvement is ahead of Revenue growth through the implementation of cost saving initiatives during the year.

The operating profit of the Group for the financial year before exceptional items was €3.82m compared to an operating profit of €2.61m in 2018. Group turnover increased by +17% to €110.1m (2018: €94.4m). Cost of sales increased by €10.5m (+16%) and Distribution and Administrative costs increased by a combined €4.0m (+16%). Restructuring costs of €1.4m are the key factor in the exceptional items of €1.2m (2018: €2.1m). The exceptional items are analysed in Note 4 to the financial statements.

The Group finished the year with net cash of €16.6m (2018: €14.2m). During the financial year a further €1.0m was paid as part of the €11.0m commitment to enhance transfer values. The remaining cash liability to the pension enhancement is €1.97m and is payable in 2020-2021. The Group continues to generate strong cash; during 2019 operating profit before depreciation of tangible assets, amortisation of goodwill and intangibles and exceptional items amounted to €8.0m (2018: €6.4m).

Our strategy is focused on sustainable profitability with investment in compelling and distinctive journalism. Following the acquisition of the Examiner Group, the objective of the newly combined entities is to create a dynamic and vibrant media business which can sustain itself for the longer term and where the respective media assets will contribute significantly to the media market.

*PRINCIPAL RISKS AND UNCERTAINTIES*

The Irish Times Group operates an ongoing process to identify, evaluate and manage the key risks facing the group so as to ensure the continuing publication of all newspaper titles and operation of its radio stations. The risk management process was established by the Board's audit and risk committee. Key risks include:

- The Covid-19 pandemic is and will continue to be a large risk for the entire business in 2020 and 2021.
- The Irish Times Group operates in a challenging sector. Replacement of print revenues (advertising, newspaper sales and contract print) with sustainable and long term alternatives is therefore a key challenge.
- There is added risk relating to general economic conditions and the cyclical nature of advertising revenues.

**DIRECTORS' REPORT**  
**for the financial year ended 31 December 2019 (Continued)**

*PRINCIPAL RISKS AND UNCERTAINTIES (Continued)*

- The sector is exposed to rapid changes in technology. There is a continuing associated risk from new entrants and disruptive business models. These may impact on both reader/consumer behaviour (and therefore consumption of media) along with the information technology systems which support ongoing operations.
- Significant litigation or libel event could have an adverse effect on our financial position. The maintenance of a strong brand and reputation of The Irish Times and Irish Examiner titles and the protection of associated intellectual property and copyright is a key objective.
- Any unusually high changes in costs particularly newsprint and salary costs.
- Financial risks including the risk of bad debts.

*RESULTS FOR THE FINANCIAL YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2019*

The Group Statement of Comprehensive (Loss) Income for the financial year ended 31 December 2019 and the Group Statement of Financial Position at that date are set out on pages 13 and 15 respectively. The operating results for the year reflect the challenging operating environment and the initial integration of the Irish Examiner Media Group.

*IMPORTANT EVENTS SINCE FINANCIAL YEAR END*

Since the financial year end there has been a global pandemic outbreak of coronavirus COVID-19. This has been assessed by directors and management as a non-adjusting event. Group Revenue is forecast to significantly decline in the second quarter of 2020, largely driven by accelerated advertising and circulation declines, partially offset by an increase in our subscriptions. Cost cutting plans have been put in place to mitigate this in the short and medium term, and the business is continually being evaluated so that we can emerge from this crisis as a sustainable business prepared to operate profitably in a changed environment.

*DIVIDENDS*

The Company has not proposed, declared or paid a dividend for the financial year ended 31 December 2019 (2018: €nil).

*ENVIRONMENTAL MATTERS*

The Group recognises its corporate responsibility to carry out its operations whilst minimising environmental impact. The directors' continued aim is to comply with all applicable environmental legislation.

*EMPLOYEE MATTERS*

The Board of Directors is fully committed to operating ethically and responsibly in relation to employees, clients, neighbours and all other stakeholders.

*GOING CONCERN*

The financial statements have been prepared on a going concern basis. In assessing the appropriateness of the going concern basis, the directors have taken account of all relevant information covering a period of at least twelve months from the date of approval of the financial statements. The directors consider it appropriate to continue to use the going concern assumption on the basis that the Group will have sufficient resources to enable it to meet its liabilities as they fall due, including if required, provision of adequate financial support from its existing bank overdraft and loan facilities.

**DIRECTORS' REPORT**  
**for the financial year ended 31 December 2019 (Continued)**

*ACCOUNTING RECORDS*

The directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014, with regard to books of account. To achieve this, the directors have appointed appropriate accounting personnel who report to the Board in order to ensure that those requirements are complied with. Those books are maintained at the Company's registered office at The Irish Times Building, 24/28 Tara Street, Dublin 2.

*DISCLOSURE OF INFORMATION TO THE AUDITORS*

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made inquiries of fellow directors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

*AUDIT AND RISK COMMITTEE*

The responsibilities of the committee, delegated to it by the Board, include the monitoring of the financial reporting process and effectiveness of the company's systems of internal control and risk management, the monitoring of the statutory audit of the company's statutory financial statements, and review and monitoring of the independence of the statutory auditors and in particular the provision of additional services to the company. The members of the committee during the financial year were Terence O'Rourke, John Hegarty, Peter McLoone and Rhona Murphy.

*REMUNERATION AND NOMINATIONS COMMITTEE*

The responsibilities of the committee, delegated to it by the Board, include entering into contracts and setting remuneration levels for the Managing Director, Editor and other Executive Directors.

The members of the committee during the financial year were Brian Caulfield, Dan Flinter, Claire Duignan and Catriona Murphy. The objective of the committee is to recruit, motivate and retain management and staff of the highest calibre in a competitive market.

It seeks external and independent professional advice, when required, to ensure that payment levels are set with proper regard to market conditions and internal relativities. All payments to Executive Directors are determined by the Remuneration and Nominations Committee independently of the executives concerned.

The schedule below provides the detail of each director's service during the financial year.

<i>Director</i>	<i>Position</i>	<i>Months in office</i>	<i>Remuneration</i>	<i>Fees</i>
John Hegarty	Non-Executive & Chairman of The Irish Times Trust Company Limited by Guarantee	12	(Note 1)	Y
Brian Caulfield	Non-Executive	5	N	Y
Clare Duignan	Non-Executive	12	N	Y
Dan Flinter	Non-Executive Chairman	12	(Note 1)	Y
Shay Garvey	Non-Executive	8	N	Y

## THE IRISH TIMES DESIGNATED ACTIVITY COMPANY

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### DIRECTORS' REPORT for the financial year ended 31 December 2019 (Continued)

#### REMUNERATION AND NOMINATIONS COMMITTEE (Continued)

<i>Director</i>	<i>Position</i>	<i>Months in office</i>	<i>Remuneration</i>	<i>Fees</i>
Liam Kavanagh	Managing Director	12	Y	Y
Peter McLoone	Non-Executive & Governor of The Irish Times Trust Company Limited by Guarantee	12	N	Y
Catriona Murphy	Non-Executive & Governor of The Irish Times Trust Company Limited by Guarantee	12	N	Y
Rhona Murphy	Non-Executive	12	N	Y
Paul O'Neill	Editor	12	Y	Y
Terence O'Rourke	Non-Executive	12	N	Y
Deirdre Veldon	Deputy Editor	12	Y	Y

Note 1 The chairmen of The Irish Times Designated Activity Company and The Irish Times Trust Company Limited by Guarantee each receive an annual salary for their respective positions.

Note 2 Shay Garvey was appointed a director on 1 May 2019.

Note 3 Brian Caulfield resigned as a director on 17 May 2019.

The average number of directors who held office during the financial year was 11 (2018: 11).

The average number who received executive remuneration was 3 (2018: 3).

*Directors' fees:* The basis for the payment of directors' fees in 2019 was as follows:

Chairman of The Irish Times Designated Activity Company, Chairman of The Irish Times Trust Company Limited by Guarantee and executive directors – €9,347 per annum (2018: €9,347).

Other non-executive directors – fees up to €17,500 (comprising a board fee of €9,500 per annum and if applicable €8,000 per annum for service on Board sub-committees).

The average fee per director in 2019 was €13,813 (2018: €13,883).

**DIRECTORS' REPORT**  
for the financial year ended 31 December 2019 (Continued)

*REMUNERATION AND NOMINATIONS COMMITTEE (Continued)*

*Remuneration:* The schedule below provides an analysis of directors' remuneration (exclusive of fees) which is disclosed in Note 8 to the consolidated financial statements. Remuneration is before all taxes and is inclusive of salary, and in the case of executive directors, performance related pay, benefit-in-kind and pension and related emoluments.

	Note	2019 €'000	2018 €'000
Salary		763	762
Performance related pay	(i)	–	–
Benefits-in-kind	(ii)	70	70
		<hr/>	<hr/>
Subtotal		833	832
Pension and related emoluments	(iii)	264	262
		<hr/>	<hr/>
		1,097	1,094
		<hr/> <hr/>	<hr/> <hr/>

- (i) Performance related pay is set and approved by the Remuneration and Nominations Committee on the basis of the achievement of individual specific targets and objectives. No such payments were made in 2018 or 2019.
- (ii) The benefit-in-kind arrangements for executive directors relate primarily to company cars. There are no loans to directors.
- (iii) Pension and related emoluments relate to 3 directors and are in respect of obligations arising under a defined contribution pension scheme.

The annual salaries at 31 December 2019 for the continuing executive director positions and the non-executive chairmen were as follows:

	2019 €'000	2018 €'000
<i>Continuing Executive Directors</i>		
Managing Director	270	270
Editor	240	240
Deputy Editor	150	150
<i>Non-Executive Chairmen</i>		
The Irish Times Designated Activity Company	67	67
The Irish Times Trust Company Limited by Guarantee	31	31
	<hr/>	<hr/>
	758	758
	<hr/> <hr/>	<hr/> <hr/>



**DIRECTORS' REPORT**  
**for the financial year ended 31 December 2019 (Continued)**

*DIRECTORS' COMPLIANCE STATEMENT*

The directors acknowledge that they are responsible for securing the company's compliance with its Relevant Obligations as defined in the Companies Act 2014 (hereinafter called the Relevant Obligations).

The directors confirm that they have drawn up and adopted a compliance policy statement setting out the company's policies that, in the directors' opinion, are appropriate to the company in respect of its compliance with its Relevant Obligations. In addition, the directors confirm the company has put in place appropriate arrangements or structures that are, in the directors' opinion, designed to secure material compliance with its Relevant Obligations including reliance on the advice of persons employed by the company and external legal and tax advisers as considered appropriate from time to time and that they have reviewed the effectiveness of these arrangements or structures during the financial year to which this report relates.

*AUDITORS*


The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, who were appointed during the financial year, continue in office in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the directors



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Dan Flinter  
Director



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Liam Kavanagh  
Director

Date: 8 July 2020

**DIRECTORS' RESPONSIBILITIES STATEMENT  
for the financial year ended 31 December 2019**

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council* ("relevant financial reporting 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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:


- select suitable accounting policies for The Irish Times DAC and the group Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- 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 ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

On behalf of the directors



Dan Flinter  
Director



Liam Kavanagh  
Director

Date: 8 July 2020

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE IRISH TIMES DESIGNATED ACTIVITY COMPANY

### Report on the audit of the financial statements

#### Opinion on the financial statements of The Irish Times Designated Activity Company (the 'company')

In our opinion the group and parent company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 31 December 2019 and of the profit of the group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

the group financial statements:

- the Group Statement of Comprehensive Income;
- the Group Statement of Financial Position;
- the Group Statement of Changes in Equity;
- the Group Statement of Cash Flows; and
- the related notes 1 to 30, including a summary of significant accounting policies as set out in note 1.

the parent company financial statements:

- the Company Statement of Comprehensive Income;
- the Company Statement of Financial Position;
- the Company Statement of Changes in Equity;
- the Company Statement of Cash Flows; and
- the related notes 1 to 30, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting framework").

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

*Continued on next page/*

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE IRISH TIMES DESIGNATED ACTIVITY COMPANY****Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' report and consolidated financial statements for the financial year ended 31 December 2019, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

*Continued on next page/*

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE IRISH TIMES DESIGNATED ACTIVITY COMPANY****Auditor's responsibilities for the audit of the financial statements (Continued)**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the group to express an opinion on the (consolidated) financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit. The group auditor remains solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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 auditor's 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.

**Report on other legal and regulatory requirements****Opinion on other matters prescribed by the Companies Act 2014**

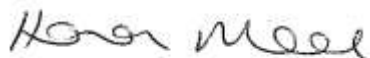
Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the financial statements to be readily and properly audited.
- The parent company balance sheet are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

**Matters on which we are required to report by exception**

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Honor Moore  
For and on behalf of Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
No. 6 Lapp's Quay, Cork

Date: 2 September 2020

**THE IRISH TIMES DESIGNATED ACTIVITY COMPANY**

**GROUP STATEMENT OF COMPREHENSIVE INCOME (LOSS)**  
**for the financial year ended 31 December 2019**

	<i>Note</i>	<i>2019</i> €	<i>2018</i> €
Turnover – continuing operations	3	110,105,012	94,395,430
Cost of sales		(77,158,859)	(66,695,036)
Gross profit		32,946,153	27,700,394
Distribution costs		(12,784,866)	(10,963,143)
Administrative expenses		(16,336,850)	(14,123,699)
Total operating expenses excluding exceptional items		(29,121,716)	(25,086,842)
Group operating profit before exceptional items		3,824,437	2,613,552
Exceptional items	4	(1,193,954)	(2,052,003)
Group operating profit after exceptional items		2,630,483	561,549
Amortisation of goodwill on investment in subsidiaries		(1,317,100)	(546,050)
Total operating profit		1,313,383	15,499
Gain (loss) on financial assets at fair value through profit and loss	13	1,676,129	(1,404,485)
Profit on disposal of tangible fixed assets		–	10,000
Interest receivable and similar income	5	125,731	103,171
Interest payable and similar charges	6	(203,348)	(212,114)
Profit (loss) on ordinary activities before taxation	7	2,911,895	(1,487,929)
Tax on profit (loss) on ordinary activities	9	–	–
Profit (loss) on ordinary activities		2,911,895	(1,487,929)
Profit attributable to minority interest		(75,035)	(60,995)
Profit (loss) for the financial year attributable to owners of the parent Company		2,836,860	(1,548,924)
Other comprehensive income		–	–
Total comprehensive income (loss) for the financial year attributable to owner of the parent Company		2,836,860	(1,548,924)

THE IRISH TIMES DESIGNATED ACTIVITY COMPANY

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**COMPANY STATEMENT OF COMPREHENSIVE INCOME**  
for the financial year ended 31 December 2019

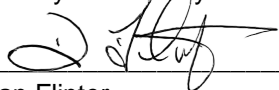
	<i>Note</i>	<i>2019</i> €	<i>2018</i> €
Profit for the financial year	10	3,180,491	1,171,261
Total other comprehensive income		—	—
Total comprehensive profit for the financial year		<u>3,180,491</u>	<u>1,171,261</u>

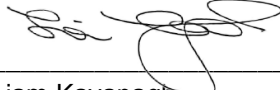
**THE IRISH TIMES DESIGNATED ACTIVITY COMPANY**

**GROUP STATEMENT OF FINANCIAL POSITION**  
for the financial year ended 31 December 2019

	Note	2019 €	2018 €
<b>FIXED ASSETS</b>			
Intangible assets	11	677,027	1,808,047
Tangible assets	12	18,346,593	21,953,185
Financial assets	13	15,356,002	12,849,824
		<u>34,379,622</u>	<u>36,611,056</u>
<b>CURRENT ASSETS</b>			
Stocks	14	387,018	650,061
Debtors (amounts falling due within one year)	15	9,618,427	10,468,244
Cash at bank and in hand		16,552,831	14,232,099
		<u>26,558,276</u>	<u>25,350,404</u>
CREDITORS (amounts falling due within one year)	16	(19,453,259)	(21,581,799)
<b>NET CURRENT ASSETS</b>		<u>7,105,017</u>	<u>3,768,605</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>41,484,639</u>	<u>40,379,661</u>
CREDITORS (amounts falling due after more than one year)	17	(1,454,148)	(1,799,126)
PROVISIONS FOR LIABILITIES	19	(2,290,523)	(3,752,462)
		<u>37,739,968</u>	<u>34,848,073</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	21	625,138	625,138
Capital conversion reserve fund		9,871	9,871
Minority interest		506,250	431,215
Profit and loss account		36,598,709	33,761,849
<b>SHAREHOLDERS' FUNDS</b>		<u>37,739,968</u>	<u>34,848,073</u>

The financial statements were approved and authorised for issue by the Board of Directors on 28 May 2020. They were signed on its behalf by:

  
\_\_\_\_\_  
Dan Flinter  
Director

  
\_\_\_\_\_  
Liam Kavanagh  
Director

Date: 8 July 2020



THE IRISH TIMES DESIGNATED ACTIVITY COMPANY

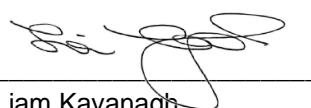
COMPANY STATEMENT OF FINANCIAL POSITION  
for the financial year ended 31 December 2019

	Note	2019 €	2018 €
<b>FIXED ASSETS</b>			
Tangible assets	12	15,625,021	18,842,205
Financial assets	13	14,575,707	12,069,531
		<u>30,200,728</u>	<u>30,911,736</u>
<b>CURRENT ASSETS</b>			
Stocks	14	387,018	650,061
Debtors (amounts falling due within one year)	15	18,805,352	18,432,193
Cash at bank and in hand		15,126,979	13,166,772
		<u>34,319,349</u>	<u>32,249,026</u>
CREDITORS (amounts falling due within one year)	16	(21,842,209)	(22,539,168)
NET CURRENT ASSETS		<u>12,477,140</u>	<u>9,709,858</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>42,677,868</u>	<u>40,621,594</u>
CREDITORS (amounts falling due after more than one year)	17	(605,908)	(885,557)
PROVISIONS FOR LIABILITIES	19	(2,290,523)	(3,135,090)
		<u>39,781,437</u>	<u>36,600,947</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	21	625,138	625,138
Capital conversion reserve fund		9,871	9,871
Profit and loss account		39,146,428	35,965,938
SHAREHOLDERS' FUNDS		<u>39,781,437</u>	<u>36,600,947</u>

The financial statements were approved and authorised for issue by the Board of Directors on 28 May 2020. They were signed on its behalf by:



Dan Flinter  
Director



Liam Kavanagh  
Director

Date: 8 July 2020

THE IRISH TIMES DESIGNATED ACTIVITY COMPANY

**GROUP STATEMENT OF CHANGES IN EQUITY**  
for the financial year ended 31 December 2019

	<i>Share capital</i> €	<i>Capital conversion reserve fund</i> €	<i>Minority Interest</i> €	<i>Profit and loss account</i> €	<i>Total</i> €
At 1 January 2018	625,138	9,871	–	35,310,773	35,945,782
Acquisition of subsidiary undertaking	–	–	370,220	–	370,220
(Loss) profit for financial year	–	–	60,995	(1,548,924)	(1,487,929)
Other comprehensive income	–	–	–	–	–
Total comprehensive (loss) attributable to owners for the financial year	–	–	431,215	(1,548,924)	(1,117,709)
At 31 December 2018	625,138	9,871	431,215	33,761,849	34,828,073
Profit for financial year	–	–	75,035	2,836,860	2,911,895
Other comprehensive income	–	–	–	–	–
Total comprehensive profit attributable to owners for the financial year	–	–	75,035	2,836,860	2,911,895
At 31 December 2019	625,138	9,871	506,250	36,598,709	37,739,968

THE IRISH TIMES DESIGNATED ACTIVITY COMPANY

COMPANY STATEMENT OF CHANGES IN EQUITY  
for the financial year ended 31 December 2019

	<i>Share capital</i> €	<i>Capital conversion reserve fund</i> €	<i>Profit and loss account</i> €	<i>Total</i> €
At 1 January 2018	625,138	9,871	34,794,677	35,429,686
Profit for financial year	–	–	1,171,261	1,171,261
Other comprehensive income	–	–	–	–
	-----	-----	-----	-----
Total comprehensive income attributable to owners for the financial year	–	–	1,171,261	1,171,261
	-----	-----	-----	-----
At 31 December 2018	625,138	9,871	35,965,938	36,600,947
Profit for financial year	–	–	3,180,490	3,180,490
Other comprehensive income	–	–	–	–
	-----	-----	-----	-----
Total comprehensive income attributable to owners for the financial year	–	–	3,180,490	3,180,490
	-----	-----	-----	-----
At 31 December 2019	<u>625,138</u>	<u>9,871</u>	<u>39,146,428</u>	<u>39,781,437</u>

**THE IRISH TIMES DESIGNATED ACTIVITY COMPANY**

**GROUP STATEMENT OF CASH FLOWS**  
for the financial year ended 31 December 2019

	Note	2019 €	2018 €
Net cash inflow from operating activities	22	4,076,496	3,812,728
<i>Cash flows from investing activities</i>			
Purchase of tangible fixed assets		(831,560)	(464,659)
Purchase of intangible fixed assets		–	(2,758)
Interest received		829	4,415
Investment in financial fixed assets		(750,000)	–
Income from financial fixed assets received		44,855	65,762
Investment in subsidiary		–	(601)
Transaction costs		–	(594,510)
Sale of associate		177,794	13,230
		<hr/>	<hr/>
Net cash inflow from investing activities		2,718,414	2,833,607
<i>Cash flows from financing activities</i>			
Finance lease receipt		–	1,300,000
Bank loan repaid		(103,889)	(1,150,000)
Capital element of finance lease repaid		(193,711)	(211,999)
Interest paid		(70,769)	(49,791)
Interest element of finance lease payment		(29,313)	(27,059)
		<hr/>	<hr/>
Net cash outflows from financing activities		(397,682)	(138,849)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		2,320,732	2,694,758
Cash and cash equivalents at 1 January		14,232,099	11,537,341
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		<u>16,552,831</u>	<u>14,232,099</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 31 December 2019**

1. ACCOUNTING POLICIES

(a) *Statement of compliance and basis of preparation*

The Irish Times Designated Activity Company ("the Company") is a company incorporated in the Republic of Ireland under the Companies Act 2014. The address of the registered office is 24/28 Tara Street, Dublin 2 and the registered number is 2514. The nature of the Group's operations and its principal activities are set out in the Directors' Report on pages 3 to 7.

The Group's financial statements have been prepared in accordance with applicable accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (Generally Accepted Accounting Practice in Ireland).

The Group's financial statements are presented in Euro (€) and have been prepared under the historic cost convention. The functional currency of the Company is considered to be Euro because that is the currency of the primary economic environment in which the Company operates. The Group financial statements are also presented in Euro.

The Irish Times Designated Activity Company, as a separate standalone entity, meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside these consolidated financial statements. Exemptions have been taken in relation to presentation of a cash-flow statement, intra-group transactions and remuneration of key management personnel.

(b) *Basis of consolidation*

The Group financial statements include the financial statements of The Irish Times Designated Activity Company and all its subsidiaries made up to the reporting date.

The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Where necessary adjustments are made to subsidiary financial statements to bring the accounting policies in line with those used by the Group. All intra-group transactions, balances income and expenses are eliminated in full on consolidation.

The Group's share of results of its joint ventures, which are entities in which the Group holds an interest on a long term basis and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement, are accounted for using the equity method. Initial recognition, from the date the investments are finalised is at the transaction price (including transaction costs) and subsequently adjusted to reflect the Group's share of profits or loss and other comprehensive income of joint ventures.

The Group's share of results of its associates, which are entities in which the Group has a participating interest and over who's operating and financial policies the Group exercises a significant influence, are accounted for using the equity method.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 31 December 2019 (Continued)**

1. ACCOUNTING POLICIES

(b) *Basis of consolidation (continued)*

Initial recognition, from the date the investments are finalised is at the transaction price (including transaction costs) which is subsequently adjusted to reflect the Group's share of profits or loss and other comprehensive income of its associates.

Goodwill arising on the acquisition of associates is recognised in line with note 1(h) below. Any unamortised balance of goodwill is included in the carrying value of the investments in associates.

(c) *Going concern*

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the Directors' Report. The Directors' Report also describes the principal risks and uncertainties of the Group and the policies and processes in place for managing these risks.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(d) *Currency*

Transactions denominated in foreign currencies are translated to euro at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to euro at the rates of exchange ruling at the reporting date. The resulting profits or losses are dealt with in the Statement of Comprehensive Income.

(e) *Revenue recognition*

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

*Sale of goods*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 31 December 2019 (Continued)**

1. ACCOUNTING POLICIES (Continued)

(e) *Revenue recognition (continued)*

*Rendering of services*

Revenue from the sales of digital advertising, digital subscriptions and contract printing services is measured when the service is delivered to the buyer.

(f) *Advertising and promotional expenditure*

Advertising and promotional expenditure is written off in full in the year in which the costs are incurred.

(g) *Taxation*

The charge for taxation is based on the profit or loss for the year and takes into account taxation advanced and/or deferred because of timing differences.

Deferred tax is calculated on all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date.

Timing differences are temporary differences between profits as computed for tax purposes and total comprehensive income as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax liabilities are recognised in full in respect of net unfavourable timing differences. Deferred tax assets are recognised in respect of net favourable timing differences, including taxation losses available for carry forward. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it will be regarded as more likely than not that there will be suitable taxable profits from which the future reversals of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is not discounted.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 31 December 2019 (Continued)**

1. ACCOUNTING POLICIES (Continued)

(h) *Business combinations*

Business combinations are accounted for using the purchase method of accounting. The cost of an acquisition under the purchase method is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date.

(i) *Goodwill*

Goodwill arising on acquisitions, being the excess of the consideration over the fair value of the net assets at the date of acquisition, is capitalised and related amortisation is charged against operating profit on a straight line basis over its useful economic life.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the synergies of the combination.

If a subsidiary, associate or business is subsequently sold or discontinued, any goodwill arising on acquisition that has not been amortised through the income statement is taken into account in determining the profit or loss on sale or discontinuance.

(j) *Intangible assets*

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets acquired as part of an acquisition are not recognised where they arise from legal or other contractual rights, and where there is no history of exchange transactions.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 31 December 2019 (Continued)**

1. ACCOUNTING POLICIES (Continued)

(k) *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment.

Depreciation is provided at annual rates calculated to write off the cost or valuation, less estimated residual value, over the expected useful life of the assets as follows:

Freehold and long leasehold land	nil
Freehold and long leasehold premises	2% to 10% straight line
Plant and machinery	10% to 33 $\frac{1}{3}$ % straight line
Motor vehicles	20% straight line
Office equipment	20% to 33 $\frac{1}{3}$ % straight line

Depreciation is provided on additions with effect from the first day of the month of commissioning and on disposals up to the end of the month prior to retirement.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

(l) *Impairment of non-financial assets*

The Group assesses at each reporting date whether an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease.

An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply.

(m) *Leased assets*

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group, are capitalised in the Statement of Financial Position and are depreciated over their useful lives. The capital elements of future obligations under leases are included as liabilities in the Statement of Financial Position. The interest elements of the rental obligations are charged in the Statement of Comprehensive Income over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 31 December 2019 (Continued)**

1. ACCOUNTING POLICIES (Continued)

(m) *Leased assets (continued)*

Rentals payable under operating leases are charged in the Statement of Comprehensive Income on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

(n) *Financial fixed assets*

The investments by the Company in subsidiary, joint venture and associate undertakings are shown at cost less provisions for any impairment in value.

Other investments such as investments in non-puttable ordinary shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less provisions for any impairment in value.

(o) *Stocks*

Stocks are valued at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value ('NRV'), on the first-in, first-out basis, cost being invoice price including duty and freight. Cost includes all costs incurred in bringing each produce to its present location and condition. Due provision is made to reduce any obsolete stock to its net realisable value. NRV is based on estimated selling price less any future costs expected to be incurred to completion and disposal.

(p) *Cash and cash equivalents*

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(q) *Short term debtors and creditors*

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

(r) *Retirement benefits*

Defined contribution scheme costs are charged to the Statement of Comprehensive Income in the accounting period in which they are incurred.

Provision is made for the actuarial valuation of ex-gratia pensions at the time the commitment is recognised. Subsequent adjustments to the computation of the outstanding commitment are dealt with annually in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 31 December 2019 (Continued)**

1. ACCOUNTING POLICIES (Continued)

(s) *Provisions*

The Group establishes provisions based on reasonable estimates, when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount of such provisions is based on various factors, such as estimation of the outflow of economic benefits and the likely timing of same.

(t) *Exceptional Items*

In order to highlight significant items within the Group results for the year, the Group includes significant items as exceptional items within the Statement of Comprehensive Income. Such items may include restructuring costs, wind up of pension schemes, impairment of assets, profit or loss on disposal or termination of operations and profit or loss on disposal of investments. Judgement is used by management in assessing the particular items, which by virtue of their scale and nature, are disclosed in the Statement of Comprehensive Income and noted as exceptional items.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that have had the most significant effect on the amounts recorded in the financial statements:

(a) *Exceptional items*

The Group has adopted an income statement format which highlights significant items within the Group's results for the year. Exceptional items are those items of income and expense that the Group considers are material and/or of such a nature that their separate disclosure is relevant to a better understanding of the Group's financial performance. Judgement is used by the Group in assessing the particular items which, by virtue of their materiality and/or nature, are disclosed in the Group Income Statement and related notes as exceptional items (note 4).

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 31 December 2019 (Continued)**

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) *Impairment of non-financial assets*

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from projections for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

3. TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of value added tax.

Turnover by class of business and geographical market are not provided as the directors are of the opinion that the provision of such information would be seriously prejudicial to the interests of the Group.

An analysis of the Group's turnover is as follows:

	2019	2018
	€	€
Sale of goods	77,981,771	66,483,874
Rendering of services	32,123,241	27,911,556
	<u>110,105,012</u>	<u>94,395,430</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

4. EXCEPTIONAL ITEMS	2019 €	2018 €
Costs of re-organisation	1,371,747	1,880,154
Impairment of joint venture investment	–	72,917
Gain on sale of associate investment	(177,793)	(13,230)
Professional fees	–	112,162
	<hr/>	<hr/>
Total charge	<u>1,193,954</u>	<u>2,052,003</u>

The costs of re-organisation comprise redundancy costs. The tax effect of these costs was a credit of €171,468 (2018: €235,019). None of the other exceptional items have a tax impact.

The impairment of joint venture investment relates to the write down of the investment in Professional Accountancy Training Limited in 2018.

The gain on sale of associate investment relates to the sale of the investment in Entertainment Media Networks Limited.

5. INTEREST RECEIVABLE AND SIMILAR INCOME	2019 €	2018 €
Interest receivable	829	4,415
Income from financial fixed assets other than shares in Group undertakings	124,902	98,756
	<hr/>	<hr/>
	<u>125,731</u>	<u>103,171</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES	2019 €	2018 €
Finance lease interest	29,313	27,059
Interest on bank loans and overdrafts	70,769	49,791
Unwinding of discount on pension settlement provision (Note 20)	103,266	135,264
	<hr/>	<hr/>
	<u>203,348</u>	<u>212,114</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

7.	(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2019 €	2018 €
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The (loss) profit on ordinary activities before taxation is stated after charging:

*Directors' emoluments*

Fees for services	152,526	154,657
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Details of directors' remuneration are included in the Directors' Report on Page 5 and 6.

*Remuneration:*

Executive directors	735,112	734,155
Pension and related emoluments	263,669	262,135
Chairmen's salaries	97,942	98,036
	<u>1,096,723</u>	<u>1,094,326</u>

Auditors' remuneration – Audit of Group accounts	150,000	82,000
– Other assurance services	8,000	28,000
– Tax advisory services	25,000	35,000

Depreciation of tangible fixed assets	4,138,152	3,808,123
Amortisation of intangible and goodwill assets	1,431,020	608,034
Operating lease rentals – plant and machinery	297,321	388,561
– other	1,232,729	1,232,729
	<u>1,232,729</u>	<u>1,232,729</u>

In the prior year, fees paid to the statutory auditor did not include fees for the Irish Examiner and other subsidiary audits which were performed by another audit firm.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

8. STAFF NUMBERS AND COSTS

*GROUP*

The average monthly number of employees, including executive directors, who worked in the Group during the financial year was as follows:

	<i>2019</i> <i>Number</i>	<i>2018</i> <i>Number</i>
Printing, publishing, broadcasting, distribution and administration	818	630

The aggregate payroll costs comprise:

	€	€
Wages and salaries	44,447,334	37,871,960
Social welfare costs	4,859,939	4,091,582
Other retirement benefit costs	4,282,259	4,102,062
	<u>53,589,532</u>	<u>46,065,604</u>

Other retirement benefit costs include the cost in respect of the defined contribution pension scheme, ex-gratia pension costs and professional fees incurred in managing the Group pension schemes. Defined contribution scheme costs included in other retirement benefit costs for the financial year amounted to €4,255,077 (2018: €4,064,865).

*COMPANY*

The average number of employees, including executive directors, who worked in the Company during the financial year was as follows:

	<i>2019</i> <i>Number</i>	<i>2018</i> <i>Number</i>
Printing, publishing and distribution	420	414

The aggregate payroll costs comprise:

	€	€
Wages and salaries	29,109,430	29,083,935
Social welfare costs	3,221,474	3,237,808
Other retirement benefit costs	3,435,833	3,606,856
	<u>35,766,737</u>	<u>35,928,599</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

8. STAFF NUMBERS AND COSTS (Continued)

Other retirement benefit costs include the costs in respect of the defined contribution pension scheme, ex-gratia pension costs and professional fees incurred in managing the Company pension schemes. Defined contribution scheme costs included in other retirement benefit costs for the financial year amounted to €3,408,651 (2018: €3,569,659).

9. TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES	2019	2018
	€	€
(a) <i>The tax charge is made up as follows:</i>		
<i>Current tax:</i>		
Under provision in respect of prior financial years	–	–
	<u>          </u>	<u>          </u>
Tax on profit (loss) on ordinary activities	–	–
	<u>          </u>	<u>          </u>

(b) *Factors affecting the current tax charge for the financial year*

The current tax charge for the financial year differs from the amount computed by applying the standard rate of corporation tax in the Republic of Ireland to the loss on ordinary activities before taxation. The sources and tax effects of the differences are explained below:

	2019	2018
	€	€
Profit (loss) on ordinary activities	2,911,895	(1,487,929)
	<u>          </u>	<u>          </u>
Profit (loss) on ordinary activities multiplied by the standard tax rate 12.5%	363,987	(185,991)
<i>Effect of:</i>		
Expenses not deductible and non-taxable income	(253,673)	118,919
Enhancements disallowed	(1,145)	130,852
Other timing differences including differences between capital allowances and depreciation and movement in provisions	167,083	31,932
Losses arising in the financial year not utilised in current financial year	–	–
Higher tax rates on investment income	380	225
Losses brought forward utilised in current financial year	(276,632)	(95,937)
Under provision in respect of prior financial years	–	–
	<u>          </u>	<u>          </u>
Total tax charge for the financial year	–	–
	<u>          </u>	<u>          </u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 31 December 2019 (Continued)**

9. TAX ON (LOSS) PROFIT ON ORDINARY ACTIVITIES (Continued)

(c) *Factors that may affect future taxation charges*

Under present legislation, the Company is subject to Irish corporation tax at a rate of 12.5% on profits.

The Group has tax losses arising in Ireland of €25.0m (2018: €27.7m) that are available indefinitely for offset against future taxable profits of those companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as uncertainty exists regarding the timing of utilisation.

10. PROFIT FOR THE FINANCIAL YEAR

The Company has availed of exemptions set out in section 304 of the Companies Act, 2014 from laying the Company's individual profit and loss account before the annual general meeting and from filing it with the Registrar of Companies. The profit for the financial year accounted for by the Company dealt with in the Group Statement of Comprehensive (Loss) Income was €3,180,491 (2018: €1,171,261).

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

11. INTANGIBLE ASSETS

<i>GROUP</i>	<i>Computer software</i> €	<i>Development costs</i> €	<i>Goodwill</i> €	<i>Total</i> €
<i>Cost</i>				
At 1 January 2019	189,594	43,287	2,184,200	2,417,081
Acquisition of subsidiary undertaking	–	–	–	–
Additions during the financial year	–	–	300,000	300,000
At 31 December 2019	189,594	43,287	2,484,200	2,717,081
<i>Amortisation</i>				
At 1 January 2019	59,302	3,682	546,050	609,034
Charge for the financial year	107,295	6,625	1,317,100	1,431,020
At 31 December 2019	166,597	10,307	1,863,150	2,040,054
<i>Net book value at:</i>				
At 31 December 2019	22,997	32,980	621,050	677,027
At 31 December 2018	130,292	39,605	1,638,150	1,808,047

The Waterford Broadcast Centre acquired as part of the business combination with the Examiner group in 2018 has been valued at €1.8 million which is less than the recorded book value at the time of acquisition. This has resulted in a write down of €300,000 in the value of that property, which write-down, under the provisions of FRS 102, increases the amount of Goodwill recognised upon the acquisition of the Examiner Group. The additional Goodwill is being amortised over the original two year timeline which represents the period during which the benefit is expected to be realised.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

12. TANGIBLE ASSETS	<i>Freehold and long leasehold land and premises</i>	<i>Plant &amp; machinery</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Total</i>
<i>GROUP</i>	€	€	€	€	€
<i>Cost</i>					
At 31 December 2017	47,217,422	60,714,282	47,360	6,870,312	114,849,376
Acquisition of subsidiary undertaking	2,744,741	172,766	42,218	280,944	3,240,669
Additions during financial year	-	443,982	-	20,677	464,659
At 31 December 2018	49,962,163	61,331,030	89,578	7,171,933	118,554,704
Write down during financial year	(300,000)	-	-	-	(300,000)
Additions during financial year	86,689	514,326	59,533	171,012	831,560
At 31 December 2019	49,748,852	61,845,356	149,111	7,342,945	119,086,264
<i>Depreciation:</i>					
At 31 December 2017	31,685,388	56,436,679	44,243	6,627,086	92,793,396
Charged during financial year	2,314,623	1,411,588	6,940	74,972	3,808,123
Disposals during financial year	-	-	-	-	-
At 31 December 2018	34,000,011	55,848,267	51,183	6,702,058	96,601,519
Charged during financial year	2,438,575	1,628,113	21,397	50,067	4,138,152
Disposals during financial year	-	-	-	-	-
At 31 December 2019	36,438,586	57,476,380	72,580	6,752,125	100,739,671
<i>Net book value at:</i>					
At 31 December 2019	13,310,266	4,368,976	76,531	590,820	18,346,593
At 31 December 2018	15,962,152	5,482,763	38,395	469,875	21,953,185

THE IRISH TIMES DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS  
for the financial year ended 31 December 2019 (Continued)

12. TANGIBLE ASSETS (Continued)

<i>COMPANY</i>	<i>Freehold and long leasehold land and premises</i>	<i>Plant &amp; machinery</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Total</i>
	€	€	€	€	€
<i>Cost:</i>					
At 31 December 2017	47,210,107	60,605,047	47,360	1,660,380	109,522,894
Additions during financial year	–	428,295	–	19,486	447,781
Disposals during financial year	–	–	–	–	–
At 31 December 2018	47,210,107	61,033,342	47,360	1,679,866	109,970,675
Additions during financial year	–	341,764	–	122,045	463,809
Disposals during financial year	–	–	–	–	–
At 31 December 2019	47,210,107	61,375,106	47,360	1,801,911	110,434,484
<i>Depreciation:</i>					
At 31 December 2017	31,681,202	54,329,636	44,244	1,442,200	87,497,282
Charged during financial year	2,198,374	1,390,038	1,100	41,676	3,631,188
Disposals during financial year	–	–	–	–	–
At 31 December 2018	33,879,576	55,719,674	45,344	1,483,876	91,128,470
Charged during financial year	2,175,736	1,462,612	1,100	41,545	3,680,993
Disposals during financial year	–	–	–	–	–
At 31 December 2019	36,055,312	57,182,286	46,444	1,525,421	94,809,463
<i>Net book value at:</i>					
At 31 December 2019	11,154,795	4,192,820	916	276,490	15,625,021
At 31 December 2018	13,330,531	5,313,668	2,016	195,990	18,842,205

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

12. TANGIBLE ASSETS (Continued)

*Capitalised leased assets – Group*

Included in the cost of plant and machinery and office equipment is an amount of capitalised leased assets of €1,902,691 (2018: €1,902,961). The depreciation charge in respect of capitalised leased assets for the financial year ended 31 December 2019 amounted to € 130,000 (2018: €88,476) and accumulated depreciation was €821,437 (2018: €691,437). The carrying value of the leased assets at 31 December 2019 is €1,081,524 (2018: €1,211,524).

*Capitalised leased assets – Company*

Included in the cost of plant and machinery is an amount of capitalised leased assets of €1,860,454 (2018: €1,860,454). The depreciation charge in respect of capitalised leased assets for the financial year ended 31 December 2019 amounted to €130,000 (2018: €88,476) and accumulated depreciation was €778,930 (2018: €648,930). The carrying value of the leased assets at 31 December 2019 is €1,081,524 (2018: €1,211,524).

13. FINANCIAL ASSETS

	<i>Group</i>		<i>Company</i>	
	2019	2018	2019	2018
	€	€	€	€
Investment in subsidiary undertakings (a)	–	–	404	404
Investment in associates (b)	50,000	50,000	–	–
Other investments (c)	15,306,002	12,799,824	14,575,303	12,069,127
	<u>15,356,002</u>	<u>12,849,824</u>	<u>14,575,707</u>	<u>12,069,531</u>

(a) *Investment in subsidiary undertakings - Company*

	<i>Shares at cost</i>	<i>Total</i>
	€	€
At beginning of the financial year	404	404
Additions during the financial year	–	–
At the end of the financial year	<u>404</u>	<u>404</u>

In the opinion of the directors, the value of the shares, none of which are listed, is not less than cost.

THE IRISH TIMES DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS  
for the financial year ended 31 December 2019 (Continued)

13. FINANCIAL ASSETS (Continued)

(a) Investment in subsidiary undertakings – Company (continued)

Subsidiary undertakings at 31 December 2019:

Name	Registered office	Proportion held by:		Nature of business
		Company	Subsidiary	
Itronics Limited	The Irish Times Building 24/28 Tara Street Dublin 2	100%	–	Training related services
Sharmal Limited	The Irish Times Building 24/28 Tara Street Dublin 2	100%	–	Holding Company
MyHome Limited	The Irish Times Building 24/28 Tara Street Dublin 2	–	100%	Property website
D'Olier Investments Limited	The Irish Times Building 24/28 Tara Street Dublin 2	100%	–	Holding company
Gloss Publications Limited	The Courtyard 40 Main Street Blackrock Co. Dublin	–	50%	Magazine publisher
DigitalworX Limited	The Irish Times Building 24/28 Tara Street Dublin 2	100%	–	Website publisher
Palariva Limited	The Irish Times Building 24/28 Tara Street Dublin 2	100%	–	Holding company
Fianchetto Limited	The Irish Times Building 24/28 Tara Street Dublin 2	100%	–	Holding company

THE IRISH TIMES DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS  
for the financial year ended 31 December 2019 (Continued)

13. FINANCIAL ASSETS (Continued)

(a) Investment in subsidiary undertakings – Company (continued)

Subsidiary undertakings at 31 December 2019:

Name	Registered office	Proportion held by:		Nature of business
		Company	Subsidiary	
Renuka Limited	2 <sup>nd</sup> Floor Linn Dubh Assumption Road Blackpool Cork	–	100%	Holding company
Western People Limited	2 <sup>nd</sup> Floor Linn Dubh Assumption Road Blackpool Cork	–	100%	Newspaper publisher
The Nationalist and Leinster Times Limited	2 <sup>nd</sup> Floor Linn Dubh Assumption Road Blackpool Cork	–	100%	Newspaper publisher
Roscommon Herald Limited	2 <sup>nd</sup> Floor Linn Dubh Assumption Road Blackpool Cork	–	100%	Newspaper publisher
Irish Examiner Limited	2 <sup>nd</sup> Floor Linn Dubh Assumption Road Blackpool Cork	–	100%	Newspaper publisher
Evening Echo Limited	2 <sup>nd</sup> Floor Linn Dubh Assumption Road Blackpool Cork	–	100%	Newspaper publisher
Landmark Digital Limited	2 <sup>nd</sup> Floor Linn Dubh Assumption Road Blackpool Cork	–	100%	Digital publisher

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

13. FINANCIAL ASSETS (Continued)

(a) *Investment in subsidiary undertakings – Company (continued)*

*Subsidiary undertakings at 31 December 2019:*

<i>Name</i>	<i>Registered office</i>	<i>Proportion held by:</i>		<i>Nature of business</i>
		<i>Company</i>	<i>Subsidiary</i>	
News and Star Media (Waterford) Limited	2 <sup>nd</sup> Floor Linn Dubh Assumption Road Blackpool Cork	–	100%	Newspaper publisher
WKW FM Limited	2 <sup>nd</sup> Floor Linn Dubh Assumption Road Blackpool Cork	–	75%	Broadcast Media
South East Broadcasting Limited	2 <sup>nd</sup> Floor Linn Dubh Assumption Road Blackpool Cork	–	75%	Broadcast Media
Benchwarmers Limited	2 <sup>nd</sup> Floor Linn Dubh Assumption Road Blackpool Cork	–	75%	Digital publisher

Unless otherwise stated, all shareholdings represent interests in ordinary share capital.



**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

13. FINANCIAL ASSETS (Continued)

(b) *Investment in associates*

	€
<i>GROUP</i>	
<i>Cost:</i>	
At 31 December 2017	–
Acquisition of subsidiary undertaking	50,000
	<hr/>
At 31 December 2018	50,000
	<hr/>
At 31 December 2019	50,000
	<hr/> <hr/>

During the year the Group received a further payment in respect of the disposal in 2017 of its investment in Entertainment Media Networks Limited and recorded a gain on disposal of €177,793. The acquisition of The Examiner group of companies included an investment in Siteridge Limited t/a Red FM of €50,000.

(c) <i>Other investments</i>	<i>Group</i>		<i>Company</i>	
	2019	2018	2019	2018
	€	€	€	€
Listed investments	8,458,503	3,862,492	8,458,503	3,862,492
Unlisted investments	4,324,123	8,937,332	3,593,424	8,206,635
Cash with investment Managers (restricted)	2,523,376	–	2,523,376	–
	<hr/>	<hr/>	<hr/>	<hr/>
	15,306,002	12,799,824	14,575,303	12,069,127
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Listed investments consist of shares of quoted companies on recognised stock exchanges. The fair value of listed investments was determined with reference to the quoted market price at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

13. FINANCIAL ASSETS (Continued)

(c) *Other investments (continued)*

Unlisted investments consist of a 2.29% share of Press Association Limited, an Irish Life property fund, government and corporate bonds, commodities and absolute return funds. The fair value of unlisted investments was determined with reference to the net assets of Press Association Limited, adjusted for the nature of the group's minority share, the bid price for the property fund and market price of the other investments at year end.

The following is a schedule of the movement in value of the investments:

<i>Movements:</i>	<i>Group</i>		<i>Company</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	€	€	€	€
At 1 January	12,799,824	13,390,822	12,069,127	13,390,822
Acquisition of subsidiary undertaking	–	730,496	–	–
Investment in financial fixed assets	750,000	–	750,000	–
Income	80,049	82,991	80,047	82,790
Fair value adjustments				
- Listed investments	1,676,129	(1,059,670)	1,676,129	(1,059,670)
- Unlisted investments	–	(344,815)	–	(344,815)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December	<u>15,306,002</u>	<u>12,799,824</u>	<u>14,575,303</u>	<u>12,069,127</u>

14. STOCKS	<i>Group</i>		<i>Company</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	€	€	€	€
Newsprint and materials	<u>387,018</u>	<u>650,061</u>	<u>387,018</u>	<u>650,061</u>

The replacement cost of the above categories of stock does not differ materially from their stated Statement of Financial Position values.



**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

16. CREDITORS (amounts falling due within one year) (Continued)

(a) *Tax and social welfare comprises:*

	<i>Group</i>		<i>Company</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	€	€	€	€
Value added tax	1,764,959	1,933,552	1,053,472	1,261,391
Employment taxes	1,837,361	1,872,416	1,004,269	1,029,930
Corporation tax payable	6,894	2,883	6,894	2,443
	<u>3,609,214</u>	<u>3,808,851</u>	<u>2,064,635</u>	<u>2,293,764</u>

17. CREDITORS (amounts falling due after more than one year)

	<i>Group</i>		<i>Company</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	€	€	€	€
Finance lease obligations (note 24 (a))	644,468	885,557	605,908	885,557
Bank loans	348,064	451,953	-	-
Amounts owed to related parties	461,616	461,616	-	-
	<u>1,454,148</u>	<u>1,799,126</u>	<u>605,908</u>	<u>885,557</u>

Related parties amounts are in respect of a minority shareholder in a group company.

18. BANK FACILITIES

Certain of the Group's bank facilities are secured by fixed and floating charges over certain assets and are subject to compliance with a number of general and financial covenants. Bank loans are secured by a mortgage debenture incorporating a fixed and floating charge over all aspects of a group company, Sappho Limited, together with a cross guarantee from other group companies.

	<i>Group</i>		<i>Company</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	€	€	€	€
Bank Loans	409,659	513,548	-	-
Less amounts falling due within one year	(61,595)	(61,595)	-	-
	<u>348,064</u>	<u>451,953</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year	348,064	451,953	-	-
	<u>348,064</u>	<u>451,953</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

19. PROVISIONS

<i>GROUP</i>	<i>Restructuring(i)</i>	<i>Ex-Gratia pension(ii)</i>	<i>Pension settlement provision(iii)</i>	<i>Total</i>
	€	€	€	€
<i>Cost:</i>				
At 31 December 2017	–	155,125	3,598,682	3,753,807
Acquisition of subsidiary undertaking	858,954	–	–	858,954
Provided during financial year	1,880,154	–	–	1,880,154
Utilised during financial year	(1,876,909)	(12,085)	–	(1,888,994)
Pension scheme payments	–	–	(986,723)	(986,723)
Unwinding of discount	–	–	135,264	135,264
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	862,199	143,040	2,747,223	3,752,462
Provided during financial year	1,371,747	–	–	1,371,747
Utilised during financial year	(1,877,946)	(75,521)	–	(1,953,467)
Pension scheme payments	–	–	(983,485)	(983,485)
Unwinding of discount	–	–	103,266	103,266
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	<u>356,000</u>	<u>67,519</u>	<u>1,867,004</u>	<u>2,290,523</u>

*COMPANY*

	<i>Restructuring(i)</i>	<i>Ex-Gratia pension(ii)</i>	<i>Pension settlement provision(iii)</i>	<i>Total</i>
	€	€	€	€
<i>Cost:</i>				
At 31 December 2017	–	155,125	3,598,682	3,753,807
Provided during financial year	1,370,838	–	–	1,370,838
Utilised during financial year	(1,126,011)	(12,085)	–	(1,138,096)
Pension scheme payments	–	–	(986,723)	(986,723)
Unwinding of discount	–	–	135,264	135,264
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	244,827	143,040	2,747,223	3,135,090
Provided during financial year	489,737	–	–	489,737
Utilised during financial year	(378,564)	(75,521)	–	(454,085)
Pension scheme payments	–	–	(983,485)	(983,485)
Unwinding of discount	–	–	103,266	103,266
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	<u>356,000</u>	<u>67,519</u>	<u>1,867,004</u>	<u>2,290,523</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 31 December 2019 (Continued)**

19. PROVISIONS (Continued)

(i) *Restructuring*

This provision relates primarily to redundancy costs.

(ii) *Ex-gratia pensions*

This provision relates to future payments to certain former employees of The Irish Times Designated Activity Company.

(iii) The liability is a settlement provision due to an agreement entered into by the Group and Company to enhance transfer values totalling €11m following the wind up of the Group and Company's previous defined benefit pension plans in 2015. This amount has been recorded in accordance with Section 21 *Provisions and Contingencies* of FRS 102. The payments are payable over 7 years from 2015 and these have been discounted to a present value using a discount rate of 3.7%.

20. RETIREMENT BENEFIT SCHEME

The Company operates a defined contribution pension scheme in conjunction with a subsidiary undertaking. The scheme is funded by company and employee contributions to separately administered pension funds. All contributions were made on time during the year.

Separately the company agreed in 2015 to pay €11m in enhanced transfer value over 7 years to The Irish Times Designated Activity Company Defined Contribution Pension Plan scheme. Payments totalling €1.0m (2018: €1.0m) were made during the year in accordance with the agreed schedule and all such payments were made on time.

21. CALLED UP SHARE CAPITAL AND RESERVES

(a) *Called up share capital*

	2019	2018
	€	€

*GROUP AND COMPANY*

*Authorised, allotted, called up and fully paid:*

500,000 ordinary shares of €1.25 each	625,000	625,000
110 preference shares of €1.25 each	138	138
	625,138	625,138
	625,138	625,138

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

21. CALLED UP SHARE CAPITAL AND RESERVES (Continued)

The Company has one class of ordinary shares which carry no right to fixed income.

In accordance with the memorandum of association of the Company, no portion of the income and property of the Company can be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise, to members of the Company except that the holders of all the preference shares retain their entitlement to repayment at par of the amount of capital paid up thereon (€1.25 per share) in a winding up or dissolution of the Company.

The ordinary shares are non-voting shares.

(b) *Reserves*

The Group and Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses.

The capital conversion reserve fund of €9,871 represents a reserve created due to the renominialisation of share capital subsequent to the changeover to the Euro.

22. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW	2019 €	2018 €
Operating profit	2,630,483	561,549
Investment impairment	–	72,917
Gain on disposal of investments	(177,793)	(13,230)
Gain on disposal of tangible fixed assets	–	10,000
Depreciation of tangible fixed assets	4,138,152	3,808,123
Amortisation of intangible assets	113,920	62,984
Interest element of defined benefit pension plan settlement	(103,266)	(135,264)
Restructuring	1,371,747	1,880,154
Decrease (increase) in stocks	263,043	(189,457)
Decrease in debtors	799,607	2,541,617
(Decrease) in creditors	(2,142,281)	(1,272,830)
(Decrease) in operating provisions and pension balances	(2,833,686)	(3,524,070)
	<hr/>	<hr/>
	4,059,926	3,802,493
<i>Taxation</i>		
Corporation tax refund	16,570	10,235
Corporation tax paid	–	–
	<hr/>	<hr/>
Cash generated by operations	<u>4,076,496</u>	<u>3,812,728</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2019 (Continued)

23. COMMITMENTS

(a) *Finance Leases*

The Group and Company use finance leases to acquire plant and machinery. These leases have terms of renewal but no purchase options or escalation clauses. Renewals are at the option of the lessee. Future minimum lease payments due under finance leases are as follows:

	<i>Group</i>		<i>Company</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	€	€	€	€
Amounts payable:				
Not later than one year	297,706	279,641	279,641	279,641
Later than one year and not later than 5 years	644,468	885,557	605,908	885,557
Less: Finance charges allocated to future periods	(41,767)	(71,190)	(41,767)	(71,190)
	<u>900,407</u>	<u>1,094,008</u>	<u>843,782</u>	<u>1,094,008</u>

(b) *Operating leases*

Future minimum rentals payable under non-cancellable operating leases are as follows:

<i>GROUP</i>	<i>Land and buildings</i>	<i>Other</i>	<i>Total</i>
	€	€	€
Not later than one year	1,689,732	217,262	1,906,994
Later than one year and not later than five years	8,538,560	84,766	8,623,326
Later than five years	7,366,667	–	7,366,667
	<u>17,594,959</u>	<u>302,028</u>	<u>17,896,987</u>
 <i>COMPANY</i>	 <i>Land and buildings</i>	 <i>Other</i>	 <i>Total</i>
	€	€	€
Not later than one year	1,671,667	217,262	1,888,929
Later than one year and not later than five years	8,500,000	84,766	8,584,766
Later than five years	7,366,667	–	7,366,667
	<u>17,538,334</u>	<u>302,028</u>	<u>17,840,362</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 31 December 2019 (Continued)**

23. COMMITMENTS (Continued)

(b) *Operating leases (continued)*

Future minimum rentals receivable under non-cancellable operating leases are as follows:

<i>GROUP AND COMPANY</i>	<i>Land and buildings</i> €	<i>Other</i> €	<i>Total</i> €
Not later than one year	400,200	–	400,200
Later than one year and not later than five years	321,896	–	321,896
	722,096	–	722,096
	722,096	–	722,096

24. CONTINGENT LIABILITIES

There were no material contingent liabilities affecting the Group or the Company at 31 December 2019.

25. GUARANTEES

Pursuant to the provisions of section 357, Companies Act 2014, the Company guarantees the liabilities of the following subsidiaries for the financial year ended 31 December 2019 and, as a result, those subsidiaries will be exempted from the filing provisions of sections 347 and 348, Companies Act 2014:

Itronics Limited  
 Sharmal Limited  
 MyHome Limited  
 D'Olier investments Limited  
 DigitalworX Limited  
 Palariva Limited  
 Fianchetto Limited  
 Sappho Limited

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 31 December 2019 (Continued)**

26. GROUP RELATIONSHIPS AND CONTROLLING PARTIES

The Company is a wholly owned subsidiary of The Irish Times Holdings Unlimited Company, a Company incorporated in the Republic of Ireland that does not prepare consolidated financial statements. The parent undertaking of the smallest and largest group of undertakings for which Group financial statements are drawn up, and of which the Company is a member, is The Irish Times Trust Company Limited by Guarantee, a Company incorporated in the Republic of Ireland. The ultimate controlling party is The Irish Times Trust Company Limited by Guarantee. The consolidated financial statements of The Irish Times Trust Company Limited by Guarantee are filed in the Companies Registration Office, Parnell House, Parnell Square, Dublin 1.

27. RELATED PARTY TRANSACTIONS

For the purposes of the disclosure requirements of Section 33.7 of FRS 102 the term “Key management personnel” (that is those persons having authority and responsibility for planning, directing and controlling the activities of the Group) comprises the Board of Directors which manages the business and affairs of the Company and the Group. Total remuneration for key management personnel for the financial year totalled €1,249,249 (2018: €1,248,988).

The Company has availed of the exemption provided in FRS 102 Section 33 *Related Party Disclosures* for subsidiary undertakings 100% or more of whose voting rights are controlled within the Group, from the requirements to give details of transactions with entities that are part of the Group or investees of the Group qualifying as related parties.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 31 December 2019 (Continued)**

27. RELATED PARTY TRANSACTIONS (Continued)

During the financial year the Group entered into transactions in the ordinary course of business with other related parties. Transactions entered into, and trading balances outstanding at financial year end are as follows:

	<i>Sales to related party 2019 €</i>	<i>Sales to related party 2018 €</i>	<i>Purchases from related party 2019 €</i>	<i>Purchases from related party 2018 €</i>
Gloss Publications Limited	13,426	24,087	5,550	11,400
Siteridge Limited t/a Red FM	–	–	–	–
WKW FM Limited	–	–	–	–
South East Broadcasting Company Limited	–	–	–	–
	<i>Amounts owed to related party 2019 €</i>	<i>Amounts owed to related party 2018 €</i>	<i>Amounts owed by related party 2019 €</i>	<i>Amounts owed by related party 2018 €</i>
Gloss Publications Limited	–	–	3,794	1,334
Siteridge Limited t/a Red FM	–	–	775,592	775,592
WKW FM Limited	437,471	437,471	–	–
South East Broadcasting Company Limited	24,145	24,145	–	–

The company has availed of the exemption under Section 33 of FRS 102 from disclosing transactions and balances with wholly owned Group companies.

28. SUBSEQUENT EVENTS

There have been no events since the financial year end which require disclosure in the financial statements.

29. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved and authorised for issue the consolidated financial statements in respect of the financial year ended 31 December 2019 on 28 May 2020.