The Irish Times Limited

Directors' report and consolidated financial statements for the year ended 31 December 2014

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

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COMPANY INFORMATION

DIRECTORS	Tom Arnold Brian Caulfield Margaret Elliott Dan Flinter Deirdre Forbes Liam Kavanagh Eoin O'Driscoll Terence O'Rourke Kevin O'Sullivan Denis Staunton
SECRETARY	Peter Callan
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.
BANKERS	Bank of Ireland, College Green, Dublin 2.
AUDITORS	Ernst & Young, Chartered Accountants, Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2.

DIRECTORS' REPORT
for the year ended 31 December 2014

The directors present herewith their annual report and audited consolidated financial statements for the year ended 31 December 2014.

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 and other digital activities.

Group turnover excluding joint ventures decreased by 1.3% to €83.3M in a more stable trading environment. Digital audiences and revenues continued to grow strongly. Advertising revenue grew by 0.6% while The Irish Times increased its overall market share of advertising revenue. Circulation revenue reduced by 6.2% during the year due to volume declines. Contract printing revenue increased by 6% due to the full year effect of new print contracts acquired in 2013. The overall increase in costs before exceptional items of 0.8% is primarily due to increases in costs to support the launch of digital subscriptions and variable printing costs relating to the growth in contract printing revenues.

Group operating profit, before exceptional items, was €1.0M compared to an operating profit of €2.7M in 2013. The cash outflow from operating activities was €0.3M compared to a cash inflow of €0.8M in 2013 which reflects the reduction in operating profit. Restructuring costs, impairments due to the closure of Metroherald and a write down of goodwill and a past service credit on the pension schemes are the key factors in the net exceptional cost of €0.5M. The exceptional items are analysed in Note 3 to the financial statements.

Following an extensive consultation process through a joint management/union subcommittee, a recommendation to close the main pension plan and to wind up that scheme was agreed with the trustees effective 1 March 2015. The Board approved additional funding of €11M to enhance transfer values and the terms of a new defined contribution scheme were agreed. A separate scheme for senior management was also similarly wound up.

The impact of these transactions will have a material effect on the balance sheet and this is dealt with in important events since the year end below, as they are a 2015 event. On a continuing basis during 2014 the deficit on the defined benefit pension schemes as calculated under Financial Reporting Standard No.17 "Retirement Benefits" increased by €26.2M leading to a deficit of shareholders' funds of €1.5M on the consolidated balance sheet at 31 December 2014. This was due to a reduction in the discount rate of the scheme liabilities which is driven by falling bond yields, partially offset by a good investment performance from the scheme assets and the significant ongoing contributions paid to the schemes.

The continuing volatility in the schemes' liabilities continued after the year end leading to a further increase in the deficit in the schemes of €8.7M. The trustees agreed to the winding up of the staff defined benefit pension scheme and signed a wind up resolution with effect from 1 March 2015. The wind up of the senior plan was effective from 19 June 2015. The net gain to the profit and loss account as a result of the decision to wind up both plans is €45.7M. This net gain eliminates the deficit on the consolidated and company balance sheets.

The company strategy is focused on returning to sustainable profitability with investment in compelling and distinctive journalism from The Irish Times. This is supported by investment in marketing and technology to enable audience and revenue growth alongside continuing organisational change. Good progress has been made in 2014 in content development, growing digital audience and revenues and preparing for the launch of digital subscriptions in

DIRECTORS' REPORT
for the year ended 31 December 2014 (Continued)

PRINCIPAL ACTIVITY, BUSINESS REVIEW AND LIKELY FUTURE DEVELOPMENTS (continued)

February 2015. The company will continue to develop its digital audience and revenues and reduce its cost base with the objective of maintaining its cash resources in a challenging but more stable trading environment. The Irish Times Limited is well placed to participate in the economic recovery and has no net debt.

PRINCIPAL RISKS AND UNCERTAINTIES

The Irish Times Limited operates an ongoing process to identify, evaluate and manage the key risks facing the company so as to ensure the continuing publication of The Irish Times. The risk management process was established by the Board's audit committee. Key risks include:

- The Irish Times operates in a challenging sector which is subject to structural decline. 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.
- 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 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 risks associated with the defined benefit pension plans and the risk of bad debts. The pension risk has been substantially addressed through the wind up of the schemes as noted above.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2014

The consolidated profit and loss account for the year ended 31 December 2014 and the consolidated balance sheet at that date are set out on pages 10 and 12 respectively. The operating results for the year reflect the challenging operating environment.

IMPORTANT EVENTS SINCE YEAR END

As noted above the company's defined benefit pension plans have been wound up effective 1 March 2015 and 19 June 2015. This has the effect of removing the FRS 17 liabilities of €46.7M from the balance sheet which is replaced with a liability equal to the funding commitment to a new defined contribution scheme of €11M. This amount is payable over 7 years.

BOOKS OF ACCOUNT

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.

DIRECTORS' REPORT
for the year ended 31 December 2014 (Continued)

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 year were Tom Arnold, Brian Caulfield, Dan Flinter, Deirdre Forbes and Eoin O'Driscoll. 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 year.

Director	*Position*	*Months in office*	*Remuneration*	*Fees*
Tom Arnold	Non-Executive & Chairman of The Irish Times Trust Limited	12	(Note 1)	Y
Brian Caulfield	Non-Executive	12	N	Y
Margaret Elliott	Non-Executive & Governor of The Irish Times Trust Limited	12	N	Y
Dan Flinter	Non-Executive Chairman	12	(Note 1)	Y
Deirdre Forbes	Non-Executive	12	N	Y
Liam Kavanagh	Managing Director	12	Y	Y
Eoin O'Driscoll	Non-Executive & Governor of The Irish Times Trust Limited	12	N	Y
Terence O'Rourke	Non-Executive	12	N	Y
Kevin O'Sullivan	Editor	12	Y	Y
Denis Staunton	Deputy Editor	12	Y	Y

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

The average number of directors who held office during the year was 10.0 (2013: 10.6).
The average number who received executive remuneration was 3.0 (2013: 3.0).

Directors' Fees: The basis for the payment of directors' fees in 2014 was as follows:

Chairman of The Irish Times Limited, Chairman of The Irish Times Trust Limited and executive directors – €9,347 per annum (2013: €9,347).

Non-executive directors – fees amounted to €17,500 (which includes a board fee of €9,500 per annum and €8,000 per annum for service on Board sub-committees).
The average fee per director in 2014 was €13,423 (2013: €13,613).

DIRECTORS' REPORT
for the year ended 31 December 2014 (Continued)

REMUNERATION AND NOMINATIONS COMMITTEE (Continued)
Remuneration: The schedule below provides an analysis of directors' remuneration (exclusive of fees) which is disclosed in Note 7 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 costs.

	Note	*2014* *€'000*	*2013* *€'000*
Salary		758	758
Performance related pay	(i)	–	–
Benefits-in-kind	(ii)	62	64
Subtotal		820	822
Pension cost		231	256
Total		1,051	1,078

(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 2014.

(ii) The benefit-in-kind arrangements for executive directors relate primarily to company cars. There are no loans to directors.

The annual salaries at 31 December 2014 for the continuing executive director positions and the non-executive chairmen were as follows:

	2014 *€'000*	*2013* *€'000*
Continuing Executive Directors		
Managing Director	270	270
Editor	240	240
Deputy Editor	150	150
Non-Executive Chairmen		
The Irish Times Limited	67	67
The Irish Times Trust Limited	31	31
Total	758	758

AUDIT COMMITTEE
The responsibilities of the committee, delegated to it by the Board, include underpinning the integrity of the financial reporting, ensuring the effectiveness of the internal control environment and ensuring adherence to good corporate governance.

The members of the committee during the year were Tom Arnold, Margaret Elliott, Terence O'Rourke and Dan Flinter.

DIRECTORS' REPORT
for the year ended 31 December 2014 (Continued)

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland). 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 group and parent company as at the end of the financial year, and the profit or loss for the group for the financial year, and otherwise comply with the Companies Act 2014.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and 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.

AUDITORS
Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 383(2) of the Companies Act, 2014.

On behalf of the directors

Dan Flinter
Director

Liam Kavanagh
Director

Date: 23rd June 2015

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE IRISH TIMES LIMITED

We have audited the financial statements of The Irish Times Limited for the year ended 31 December 2014 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, and the related notes 1 to 31. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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.

Opinion on financial statements

In our opinion the 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 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE IRISH TIMES LIMITED (Continued)

Matters on which we are required to report by the Companies Act 2014

- 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 company were sufficient to permit the parent company financial statements to be readily and properly audited.

- The parent company balance sheet is in agreement with the accounting records.

- In our opinion the information given in the directors' report is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of sections 305 to 312 of 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.

Breffni Maguire
for and on behalf of Ernst & Young

Dublin

Date: 25 JUN 2015

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2014

	Note	*2014* €	*2013* €
Turnover: Group and share of joint ventures' turnover		86,914,919	87,559,993
Less: Share of joint ventures' turnover		(3,663,923)	(3,205,245)
Group turnover – continuing operations	2	83,250,996	84,354,748
Cost of sales		(58,755,227)	(57,704,218)
Gross profit		24,495,769	26,650,530
Distribution costs		(11,620,612)	(11,627,509)
Administrative expenses		(11,894,210)	(12,296,906)
Total operating expenses excluding exceptional items		(23,514,822)	(23,924,415)
Group operating profit before exceptional items		980,947	2,726,115
Administrative exceptional items	3	(507,965)	1,975,997
Group operating profit after exceptional items		472,982	4,702,112
Share of operating profit of joint ventures		6,348	115,782
Share of operating loss of associates		(35,768)	(1,467)
Amortisation of goodwill on investment in associates		(123,460)	(123,460)
Total operating profit after group share of joint venture and associates		320,102	4,692,967
Profit on sale of business	12	-	289,864
Interest receivable and similar income	4	766,976	338,394
Interest payable and similar charges	5	(23,095)	(45,862)
Other finance income	6	1,078,000	94,000
Profit on ordinary activities before taxation	7	2,141,983	5,369,363
Tax on profit on ordinary activities	9	(907,057)	(575,994)
Profit for the financial year	10	1,234,926	4,793,369

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2014

	Note	2014 €	2013 €
Profit for the financial year attributable to the shareholders		1,234,926	4,793,369
Actuarial (loss) gain on defined benefit pension schemes	19	(37,237,000)	2,897,000
Deferred tax on defined benefit pension schemes		3,736,000	(1,110,000)
Current tax on defined benefit pension schemes	9	918,000	749,000
Total recognised gains and losses for the year		(31,348,074)	7,329,369

CONSOLIDATED BALANCE SHEET
at 31 December 2014

	Note	2014 €	2013 €
FIXED ASSETS			
Tangible assets	11	32,132,375	36,284,129
Financial assets	12		
Joint venture			
- Share of gross assets		1,731,404	1,610,513
- Share of gross liabilities		(1,643,584)	(1,529,041)
Associates		222,724	674,716
Other investments		8,924,973	8,856,310
		41,367,892	45,896,627
CURRENT ASSETS			
Stocks	13	401,529	968,862
Debtors	14	7,685,391	7,663,071
Cash at bank and in hand		11,751,614	11,882,982
		19,838,534	20,514,915
CREDITORS (amounts falling due within one year)	15	(15,319,556)	(15,220,442)
NET CURRENT ASSETS		4,518,978	5,294,473
TOTAL ASSETS LESS CURRENT LIABILITIES		45,886,870	51,191,100
CREDITORS (amounts falling due after more than one year)	16	(277,382)	(382,753)
PROVISIONS FOR LIABILITIES AND CHARGES	18	(370,338)	(375,123)
PENSION OBLIGATIONS	19	(46,750,000)	(20,596,000)
		(1,510,850)	29,837,224
CAPITAL AND RESERVES			
Share capital	20	625,138	625,138
Capital conversion reserve fund	21	9,871	9,871
Profit and loss account	21	(2,145,859)	29,202,215
Shareholders' (deficit) funds	21	(1,510,850)	29,837,224

Dan Flinter
Director

Liam Kavanagh
Director

COMPANY BALANCE SHEET
at 31 December 2014

	Note	*2014* €	*2013* €
FIXED ASSETS			
Tangible assets	11	32,075,961	36,218,628
Financial assets	12	8,925,177	8,856,514
		41,001,138	45,075,142
CURRENT ASSETS			
Stocks	13	389,373	955,301
Debtors	14	17,762,167	17,840,696
Cash at bank and in hand		11,457,728	11,665,484
		29,609,268	30,461,481
CREDITORS (amounts falling due within one year)	15	(24,739,051)	(24,591,217)
NET CURRENT ASSETS		4,870,217	5,870,264
TOTAL ASSETS LESS CURRENT LIABILITIES		45,871,355	50,945,406
CREDITORS (amounts falling due after more than one year)	16	(216,332)	(332,128)
PROVISIONS FOR LIABILITIES AND CHARGES	18	(370,338)	(375,123)
PENSION OBLIGATIONS	19	(46,208,000)	(20,362,000)
		(923,315)	29,876,155
CAPITAL AND RESERVES			
Share capital	20	625,138	625,138
Capital conversion reserve fund	21	9,871	9,871
Profit and loss account	21	(1,558,324)	29,241,146
Shareholders' (deficit) funds	21	(923,315)	29,876,155

Dan Flinter
Director

Liam Kavanagh
Director

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2014

	Note	2014 €	2013 €
Net cash (outflow) inflow from operating activities	22	(291,594)	774,969
Returns on investments and servicing of finance			
Income from financial fixed assets received		564,587	95,139
Interest received		97,945	187,955
Interest paid		(308)	(16,384)
Interest element of finance lease payments		(22,787)	(29,478)
		639,437	237,232
Taxation			
Corporation taxation refund		48,829	32,376
Corporation taxation paid		(4,491)	(17,954)
		44,338	14,422
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(91,929)	(373,242)
		(91,929)	(373,242)
Acquisitions and disposals			
Investment in joint venture		(290,000)	(150,000)
Repayment of loans from joint ventures		–	110,000
Net debt disposed of with subsidiary undertaking		–	691,050
Proceeds on disposal of business		–	296,733
		(290,000)	947,783
Net cash inflow before financing		10,252	1,601,164
Financing			
Capital element of finance lease repaid		(141,620)	(150,220)
Net cash outflow from financing		(141,620)	(150,220)
(Decrease) increase in cash	23	(131,368)	1,450,944

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

1. ACCOUNTING POLICIES

(a) *Basis of preparation*

The consolidated financial statements are prepared in accordance with applicable Irish law and Accounting Standards issued by the Financial Reporting Council and promulgated by The Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

(b) *Basis of consolidation*

The consolidated financial statements include the financial statements of The Irish Times Limited and all its subsidiaries, joint venture and associate undertakings made up to the balance sheet date.

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 gross equity-accounted from the date on which the joint venture agreements are finalised.

The group's share of results of its associates, which are entities in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are equity-accounted from the date on which the investments are finalised.

(c) *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 balance sheet date. The resulting profits or losses are dealt with in the profit and loss account.

(d) *Turnover*

Turnover represents the invoiced value of goods and services, exclusive of value added tax, to third parties, after deduction of rebates and allowances.

(e) *Advertising and promotional expenditure*

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

(f) *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 balance sheet 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 balance sheet date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

1. ACCOUNTING POLICIES (Continued)

(f) *Taxation (continued)*

Timing differences are temporary differences between profits as computed for tax purposes and profits 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 in respect of net favourable timing differences, including taxation losses available for carry forward, are recognised only when it is considered more probable than not that there will be suitable taxable profits from which the future reversal of 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 balance sheet date. Deferred tax is not discounted.

(g) *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 based on its estimated useful economic life up to a presumed maximum of 10 years is charged against operating profit on a straight line basis.

The carrying values of intangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

(h) *Tangible fixed assets and depreciation*

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

Depreciation is provided at annual rates calculated to write off the cost or valuation, less estimated residual value, 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 33⅓% straight line
Motor vehicles	20% straight line
Office equipment	20% to 33⅓% 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.

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

1. ACCOUNTING POLICIES (Continued)

(i) *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 balance sheet and are depreciated over their useful lives. The capital elements of future obligations under leases are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

(j) *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 are valued at cost less provisions for any impairment in value.

(k) *Stocks*

Stocks are valued at the lower of cost and net realisable value, on the first-in, first-out basis, cost being invoice price including duty and freight. Due provision is made to reduce any obsolete stock to its net realisable value. Net realisable value is the estimated selling price of stock on hand less all further costs to completion and all costs expected to be incurred in marketing, distribution and selling.

(l) *Pension*

The group operates a number of defined benefit and defined contribution pension schemes some of which are multi-employer pension schemes. The defined benefit schemes were wound up effective 1 March and 19 June 2015.

Defined benefit scheme assets are valued at fair value and liabilities are measured using the projected unit method. Net scheme assets and liabilities, reduced by deferred tax amounts, are shown on the balance sheet as a pension surplus or deficit as appropriate.

The profit and loss account charge consists of two elements: - the current and past service cost recorded in operating costs and the net of expected return on pension assets and the interest costs of the pension liabilities, recorded in other finance income.

Actuarial gains or losses are recognised through the consolidated statement of total recognised gains and losses.

Defined contribution scheme costs are charged to the profit and loss account in the accounting period in which they are incurred.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

1. ACCOUNTING POLICIES (Continued)

(*l*) *Pension (continued)*
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 profit and loss account.

2. SEGMENTAL INFORMATION

Turnover, loss before tax and net operating assets 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.

3. ADMINISTRATIVE EXCEPTIONAL ITEMS

	2014	*2013*
	€	€
Costs of re-organisation	943,201	176,860
Impairment of joint venture investment	417,000	150,000
Impairment of associate investment	292,764	-
Gain on dilution of shareholding	-	(1,345,857)
Pension - past service credit	(1,145,000)	(957,000)
Total charge (credit)	507,965	(1,975,997)

The costs of re-organisation comprise of redundancy costs. The tax effect of this for the year ended 31 December 2014 was a credit of €117,900 (2013: €22,108). None of the other exceptional items have a tax impact.

The impairment of joint venture investment in 2014 is due to the closure of Fortunegreen Limited trading as MetroHerald and includes a provision in relation to the wind up costs of the company.

The impairment of associate investment relates to the write down of goodwill on Entertainment Media Networks Limited.

The gain on dilution of shareholding relates to the group's investment in Gazette Group Newspapers Limited, which as a result of the completion of an examinership process was reduced from 63.8% to less than 0.1%.

The past service credit is due to a reduction in members' benefits to fund the pension levy.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

4. INTEREST RECEIVABLE AND SIMILAR INCOME	*2014* €	*2013* €
Interest receivable	125,281	170,791
Income from financial fixed assets other than shares in group undertakings	641,695	167,603
	766,976	338,394

5. INTEREST PAYABLE AND SIMILAR CHARGES	*2014* €	*2013* €
Finance lease interest	22,787	29,478
Interest on bank loans and overdrafts repayable wholly within five years - not by instalments	308	16,384
	23,095	45,862

6. OTHER FINANCE EXPENSE	*2014* €	*2013* €
Expected return on pension scheme assets	10,114,000	9,139,000
Interest on pension scheme liabilities	(9,036,000)	(9,045,000)
Net gain	1,078,000	94,000

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

		2014	*2013*
		€	€
The profit on ordinary activities before taxation is stated after charging:			
Directors' emoluments			
Details of directors' remuneration are included in the Directors' Report.			
Fees		134,226	144,629
Remuneration:			
Executive directors		722,544	723,693
Pension costs		230,653	256,200
Chairmens' salaries		97,942	97,942
		1,051,139	1,077,835
Pension paid to former director		11,776	11,776
Auditors' remuneration	– Audit of group accounts	92,000	92,000
	– Other assurance services	31,000	31,000
	– Tax advisory services	39,635	48,678
	– Other non-audit services	-	-
Amortisation of goodwill	– associates	123,460	123,460
Depreciation of tangible fixed assets		4,243,682	4,249,690
Operating lease rentals	– plant and machinery	438,767	433,389
	– other	1,697,030	1,741,794

8. STAFF NUMBERS AND COSTS

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

	2014	*2013*
	Number	*Number*
Printing, publishing and distribution	423	450

The aggregate payroll costs comprise:

	€	€
Wages and salaries	28,529,136	29,214,210
Social welfare costs	3,178,710	3,197,586
Pension and other related costs	1,997,327	2,309,907
	33,705,173	34,721,703

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

8. STAFF NUMBERS AND COSTS (Continued)

Pension and other related costs include the current service cost, past service costs and settlements and curtailments in respect of the defined benefit pension scheme ex-gratia pension costs and professional fees incurred in managing the group pension schemes. Defined benefit scheme costs included in Pension and other related costs for the year amounted to €1,862,253 (2013: €2,195,864). Defined contribution scheme costs included in Pension and other related costs for the year amounted to €4,410 (2013: €4,410).

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

	2014 Number	*2013 Number*
Printing, publishing and distribution	407	400

The aggregate payroll costs comprise:

	€	€
Wages and salaries	28,083,821	27,837,776
Social welfare costs	3,121,664	3,072,746
Pension and other related costs	1,958,501	2,255,053
	33,163,986	33,165,574

Pension and other related costs include the current service cost, past service costs and settlements and curtailments in respect of the defined benefit pension scheme, ex-gratia pension costs and professional fees incurred in managing the company pension schemes. Defined benefit scheme costs included in Pension and other related costs for the year amounted to €1,827,836 (2013: €2,145,120).

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) *Analysis of profit and loss account charge*

	2014 €	*2013* €
Current tax:		
Tax on profit for the year	-	-
Over provision in respect of prior years	(10,943)	(173,006)
	(10,943)	(173,006)
Transfer from statement of total recognised gains and losses	918,000	749,000
Tax charge on profit on ordinary activities	907,057	575,994

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

9. TAX ON PROFIT ON ORDINARY ACTIVITIES (Continued)

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

The current tax charge for the 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:

	2014	*2013*
	€	€
Profit on ordinary activities	2,141,983	5,369,363
Profit on ordinary activities multiplied by the standard tax rate 12.5%	267,748	671,170
Effect of:		
Expenses not deductible and non-taxable income	(55,022)	7,423
Impairments disallowed	17,320	18,751
Non-chargeable gain	-	(168,232)
Other timing differences including differences between capital allowances and depreciation and movement in provisions	365,803	155,415
Higher tax on capital gains	-	25
Losses arising in the year not relievable against current tax	309,624	47,369
Higher tax rates on investment income	12,527	17,079
Over provision in respect of previous years	(10,943)	(173,006)
Current tax charge for the year	907,057	575,994

(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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

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 consolidated profit and loss account was €1,388,530 (2013: €3,165,504).

The fees paid to the auditors in respect of the audit of the company individual accounts in 2014 was €82,000 (2013: €82,000). In addition the auditors received fees of €17,000 and €17,000 in respect of other assurance services, and €39,635 and €48,678 in respect of tax advisory services in 2014 and 2013 respectively. The auditors did not receive any fees for other non-audit services in either year. Note 7 provides additional information regarding auditors' remuneration at the consolidated level.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

11. TANGIBLE FIXED ASSETS

	Freehold and long leasehold land and premises €	Plant & machinery €	Motor vehicles €	Office equipment €	Total €
GROUP					
Cost					
At 31 December 2012	47,177,523	59,201,062	64,771	7,003,419	113,446,775
Additions during year	34,412	308,930	-	29,075	372,417
Disposal during year	-	(10,500)	(22,911)	(314,229)	(347,640)
At 31 December 2013	47,211,935	59,499,492	41,860	6,718,265	113,471,552
Additions during year	-	77,841	-	16,785	94,626
Disposals during year	-	(576,254)	-	(44,134)	(620,388)
At 31 December 2014	47,211,935	59,001,079	41,860	6,690,916	112,945,790
Depreciation					
At 31 December 2012	18,921,297	47,543,771	55,835	6,757,603	73,278,506
Charged during year	2,666,452	1,503,135	2,676	77,427	4,249,690
Disposals during year	-	(8,610)	(19,774)	(312,389)	(340,773)
At 31 December 2013	21,587,749	49,038,296	38,737	6,522,641	77,187,423
Charged during year	2,667,599	1,538,835	2,676	34,572	4,243,682
Disposals during year	-	(575,576)	-	(42,114)	(617,690)
At 31 December 2014	24,255,348	50,001,555	41,413	6,515,099	80,813,415
Net book value at					
At 31 December 2014	22,956,587	8,999,524	447	175,817	32,132,375
At 31 December 2013	25,624,186	10,461,196	3,123	195,624	36,284,129

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

11. TANGIBLE FIXED ASSETS (Continued)

	Freehold and long leasehold land and premises	*Plant & machinery*	*Motor vehicles*	*Office equipment*	*Total*
COMPANY	€	€	€	€	€
Cost					
At 31 December 2012	47,175,695	58,485,951	41,860	1,498,923	107,202,429
Additions during year	34,412	300,203	-	-	334,615
Disposals during year	-	(10,500)	-	-	(10,500)
At 31 December 2013	47,210,107	58,775,654	41,860	1,498,923	107,526,544
Additions during year	-	62,676	-	5,785	68,461
Disposals during year	-	(8,949)	-	-	(8,949)
At 31 December 2014	47,210,107	58,829,381	41,860	1,504,708	107,586,056
Depreciation					
At 31 December 2012	18,919,466	46,834,513	36,062	1,348,075	67,138,116
Charged during year	2,666,452	1,494,025	2,676	15,257	4,178,410
Disposal during year	-	(8,610)	-	-	(8,610)
At 31 December 2013	21,585,918	48,319,928	38,738	1,363,332	71,307,916
Charged during year	2,667,599	1,530,202	2,676	10,651	4,211,128
Disposals during year	-	(8,949)	-	-	(8,949)
At 31 December 2014	24,253,517	49,841,181	41,414	1,373,983	75,510,095
Net book value at					
At 31 December 2014	22,956,590	8,988,200	446	130,725	32,075,961
At 31 December 2013	25,624,189	10,455,726	3,122	135,591	36,218,628

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

11. TANGIBLE FIXED 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 €602,961 (2013: €602,961). The depreciation charge in respect of capitalised leased assets for the year ended 31 December 2014 amounted to €112,091 (2013: €112,091) and accumulated depreciation was €287,212 (2013: €175,121).

Capitalised leased assets – company
Included in the cost of plant and machinery is an amount of capitalised leased assets of €560,454 (2013: €560,454). The depreciation charge in respect of capitalised leased assets for the year ended 31 December 2014 amounted to €112,091 (2013: €112,091) and accumulated depreciation was €244,705 (2013: €132,614).

12. FINANCIAL FIXED ASSETS

	Group		*Company*	
	2014	*2013*	*2014*	*2013*
	€	€	€	€
Investment in subsidiary undertakings *(a)*	-	-	204	204
Investment in joint venture undertakings *(b)*	87,820	81,472	-	-
Investment in associates *(c)*	222,724	674,716	-	-
Other investments *(d)*	8,924,973	8,856,310	8,924,973	8,856,310
	9,235,517	9,612,498	8,925,177	8,856,514

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

12. FINANCIAL FIXED ASSETS (Continued)

(a) *Investment in subsidiary undertakings - company*

	Shares at cost €	*Total* €
At beginning and end of year	204	204

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

Subsidiary undertakings at 31 December 2014:

Name	*Registered office*	*Proportion held by: company*	*subsidiary*	*Nature of business*
Itronics Limited	The Irish Times Building 24/28 Tara Street Dublin 2	100%	–	Training and 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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

12. FINANCIAL FIXED ASSETS (Continued)

(b) *Investment in joint venture undertakings*

	€
GROUP	
Cost	
At 31 December 2012	75,690
Share of profits during year	115,782
Loans advanced to joint ventures	150,000
Loans repaid by joint ventures	(110,000)
Impairment of joint venture investment	(150,000)
At 31 December 2013	81,472
Share of profits during year	6,348
Loans advanced to joint ventures	290,000
Impairment of joint venture investment	(290,000)
At 31 December 2014	87,820

Investment in joint ventures comprises of (i) The Irish Times Limited's share of the assets and liabilities of Fortunegreen Limited together with the associated goodwill, less amortisation to date, and provision for impairment, and (ii) D'Olier Investments Limited's share of the assets and liabilities of Sortridge Limited and Digital Media Brokers Limited. Fortunegreen Limited ceased publishing Metroherald on 19 December 2014.

Joint ventures at 31 December 2014:

Name	*Registered office*	*Proportion held by: company*	*subsidiary*	*Nature of business*
Fortunegreen Limited	Embassy House Ballsbridge Dublin 4	33.33%	–	Newspaper publishing
Sortridge Limited	2 Tivoli Tce East Dun Laoghaire Co. Dublin	–	50%	Advertising sales representation
Digital Media Brokers Limited	2 Tivoli Tce East Dun Laoghaire Co. Dublin	–	50%	Digital sales representation

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

12. FINANCIAL FIXED ASSETS (Continued)

(c) *Investment in associates*

	€
GROUP	
Cost	
At 31 December 2102	799,643
Share of losses during year	(1,467)
Goodwill amortised	(123,460)
At 31 December 2013	674,716
Share of losses during year	(35,768)
Goodwill amortisation	(123,460)
Impairment of goodwill	(292,764)
At 31 December 2014	222,724

Investment in associates comprises of The Irish Times Limited's share of the assets and liabilities of Entertainment Media Networks Limited together with the associated goodwill, less amortisation to date, that arose on the investments.

Name	*Registered office*	*Proportion held by company*	*Nature of business*
Entertainment Media Networks Limited	26 Great Strand Street Dublin 1	31.70%	Online entertainment publishing

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

(d) *Other investments*

	Group		*Company*	
	2014	*2013*	*2014*	*2013*
	€	€	€	€
Listed investments	1,737,328	1,736,644	1,737,328	1,736,644
Unlisted investments	7,187,645	7,119,666	7,187,645	7,119,666
	8,924,973	8,856,310	8,924,973	8,856,310

Listed investments consist of shares of quoted companies on recognised stock exchanges. The market value of the holdings at 31 December 2014 was €3,196,987 (2013: €2,779,434).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

12. FINANCIAL FIXED ASSETS (Continued)

(d) *Other investments*

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

Movements:	*Group*		*Company*	
	2014	*2013*	*2014*	*2013*
	€	€	€	€
At 31 December	8,856,310	8,793,027	8,856,310	8,793,027
Income	68,663	63,823	68,663	63,283
At 31 December	8,924,973	8,856,310	8,924,973	8,856,310

13. STOCKS	*Group*		*Company*	
	2014	*2013*	*2014*	*2013*
	€	€	€	€
Newsprint and materials	401,529	968,862	389,373	955,301

The replacement cost of the above categories of stock does not differ materially from their stated balance sheet values.

14. DEBTORS	*Group*		*Company*	
	2014	*2013*	*2014*	*2013*
	€	€	€	€
Trade debtors	5,631,180	5,562,803	4,502,534	4,629,130
Amounts due from joint venture	1,017,125	686,676	1,017,125	686,676
Amounts due from group companies	-	-	11,257,781	11,267,728
Amounts due from associate companies	40,200	-	40,200	-
Other debtors	84,059	71,239	55,483	53,605
Corporation tax recoverable	15,300	15,440	-	-
Prepayments and accrued income	897,527	1,326,913	889,044	1,203,557
	7,685,391	7,663,071	17,762,167	17,840,696

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

15. CREDITORS (amounts falling due within one year)

	Group		Company	
	2014	*2013*	*2014*	*2013*
	€	€	€	€
Trade creditors	3,739,812	3,974,003	3,609,965	3,847,017
Tax and social welfare *(a)*	2,604,556	2,481,313	2,579,593	2,419,854
Accruals	7,636,593	7,230,212	7,381,487	6,967,774
Deferred income	1,214,167	1,385,104	1,082,504	1,247,901
Amounts due to joint venture	8,636	5,265	10,848	5,265
Amounts due to associates	-	2,927	-	2,927
Amounts owed to group companies	-	-	9,958,861	9,958,861
Finance lease obligations *(note 25(a))*	115,792	141,618	115,793	141,618
	15,319,556	15,220,442	24,739,051	24,591,217

(a) *Tax and social welfare comprises:*

	Group		Company	
	2014	*2013*	*2014*	*2013*
	€	€	€	€
Value added tax	1,394,745	1,373,689	1,380,230	1,327,504
Employment taxes	1,163,639	1,105,650	1,153,191	1,090,376
Corporation tax	46,172	1,974	46,172	1,974
	2,604,556	2,481,313	2,579,593	2,419,854

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

	Group		Company	
	2014	*2013*	*2014*	*2013*
	€	€	€	€
Other creditors	61,048	50,625	-	-
Finance lease obligations (note 25(a))	216,334	332,128	216,332	332,128
	277,382	382,753	216,332	332,128

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

17. 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.

18. PROVISIONS FOR LIABILITIES AND CHARGES

GROUP and COMPANY

	Restructuring (i)	*Ex-Gratia pensions (ii)*	*Total*
	€	€	€
At 31 December 2012	102,639	389,451	492,090
Provided during year	176,860	-	176,860
Utilised during year	(249,304)	(44,523)	(293,827)
At 31 December 2013	30,195	344,928	375,123
Provided during year	943,201	21,460	964,661
Utilised during year	(969,446)	-	(969,446)
At 31 December 2014	3,950	366,388	370,338

(i) *Restructuring*
The provision relates primarily to redundancy costs.

(ii) *Ex-Gratia Pensions*
This provision relates to future payments to certain former employees of The Irish Times Limited. The provision includes an amount of €132,003 (2013: €122,363), which relates to a former director of the company.

(iii) *Deferred taxation*
An unrecognised deferred tax asset of €3.4M (2013: €3.2M) in respect of losses forward has not been recognised at 31 December 2014 as uncertainty exists regarding the utilisation of these losses.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

19. PENSION OBLIGATIONS

The company operates two defined benefit pension schemes. One of the pension schemes is specific to the company, while the other scheme is a multi-employer pension scheme, which is operated in conjunction with a subsidiary undertaking. The schemes are funded by the payment of contributions to separately administered trust funds.

After the year end, following an extensive consultation process through a joint management /union subcommittee, a recommendation to close the main pension plan and to wind up that scheme was agreed with the trustees effective 1 March 2015. The Employer and Employees ceased making contributions to the Pension Plan from this date. As part of the agreement, it has been agreed that the total value of the pension fund relating to active and deferred members will be transferred to The Irish Times Limited Defined Contribution Pension Plan and an annuity policy will be put in place for the purposes of the pensioners. It is agreed that the company will pay €11M in enhanced transfer value over 7 years to The Irish Times Limited Defined Contribution Pension Plan scheme. A separate scheme for senior management was also similarly wound up on 19 June 2015.

For funding purposes the contributions are based on the advice of an independent professionally qualified actuary obtained at three yearly intervals. The latest full actuarial valuations of the plans were at 1 January 2014 and used the attained age method.

The actuarial reports are not available for public inspection but all relevant information is supplied to members of the plans.

The assumptions used for the purpose of FRS 17 are based on the valuation by the schemes' actuary at 1 January 2014 updated at the balance sheet date. The valuation of liabilities has been performed using the projected unit method.

The financial assumptions used to calculate schemes liabilities at 31 December are:

GROUP

The main assumptions used by the actuary were:

	31/12/2014	*31/12/2013*
Rate of increase in pensionable salaries	1.50% p.a. until 2019 2.50% p.a. thereafter	2.00% p.a. until 2019 3.00% p.a. thereafter
Rate of increase in pension payments	0.00%	0.00%
Discount rate on scheme liabilities	2.20%	3.75%
Expected return on scheme assets	2.20%	4.81%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

19. PENSION OBLIGATIONS (Continued)

Post-retirement mortality:
The number of members in the scheme and the number of deaths have been too small to analyse and produce any meaningful scheme-specific estimates of future levels of mortality. Accordingly standard tables have been used as follows:

Current pensioners at 65	108% PNMLOO with CSO improvements from 2006 Age reduction -1
Future pensioners at 65	108% PNMLOO with CSO improvements from 2006 Age reduction -1

The expected long term rates of return on the scheme assets are 0% as the schemes closed after the year end.

The net pension liability is analysed as follows:

	At 31 December 2014 €'000	*% of scheme assets*	*At 31 December 2013 €'000*	*% of scheme assets*
Scheme assets at fair value:				
Equities	210	0.1%	78,429	35.9%
Bonds	136,347	55.2%	84,479	38.7%
Property	9,308	3.8%	8,351	3.8%
Other	101,049	40.9%	47,062	21.6%
Fair value of scheme assets	246,914		218,321	
Present value of scheme liabilities	(300,343)		(241,860)	
Defined benefit pension scheme deficit	(53,429)		(23,539)	
Related deferred tax asset	6,679		2,943	
Net pension liability	(46,750)		(20,596)	

The pension plan has not invested in any of the company's own financial instruments nor in properties or other assets used by the company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

19. PENSION OBLIGATIONS (Continued)

The amounts recognised in the Profit and Loss Account and in the Statement of Total Recognised Gains and Losses for the year are analysed as follows:

Recognised in the Profit and Loss Account:

	2014 *€'000*	*2013* *€'000*
Current service cost	(2,002)	(2,408)
Past service credit (note 3)	1,145	957
Recognised in arriving at operating profit	(857)	(1,451)
Expected return on pension scheme assets	10,114	9,139
Interest on pension scheme liabilities	(9,036)	(9,045)
Other finance expense	1,078	94
Total recognised in the profit and loss account	221	(1,357)

Taken to the Statement of Total Recognised Gains and Losses:	*2014* *€'000*	*2013* *€'000*
Actual return less expected return on scheme assets	18,859	3,050
Experience losses on schemes' liabilities	(56,096)	(153)
Actuarial (loss) gain recognised in Statement of Total Recognised Gains and Losses	(37,237)	2,897
Cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses	(44,007)	(6,770)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

19. PENSION OBLIGATIONS (Continued)

Changes in the present value of the defined benefit obligations are analysed as follows:

	2014 *€'000*	*2013* *€'000*
At beginning of year	241,860	238,672
Current service cost	2,002	2,408
Interest cost	9,036	9,045
Benefits paid	(9,267)	(9,296)
Actuarial loss	56,096	153
Past service cost amendment	(1,145)	(957)
Members contributions	1,953	2,025
Premiums paid	(192)	(190)
At end of year	300,343	241,860

Changes in the fair value of plan assets are analysed as follows:

	2014 *€'000*	*2013* *€'000*
At beginning of year	218,321	206,248
Expected return on plan assets	10,114	9,139
Employer contribution	7,126	7,345
Benefits paid	(9,267)	(9,296)
Actuarial gain	18,859	3,050
Members contributions	1,953	2,025
Premiums paid	(192)	(190)
	246,914	218,321

The group paid pension scheme contributions of €1,900,000 in 2015 which are the group contributions up to the date of closure.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

19. PENSION OBLIGATIONS (Continued)

Changes in the fair value of plan assets are analysed as follows:

	2014	*2013*	*2012*	*2011*	*2010*
	€'000	*€'000*	*€'000*	*€'000*	*€'000*
Fair value of scheme assets	246,914	218,321	206,248	182,925	179,109
Present value of defined benefit obligations	(300,343)	(241,860)	(238,672)	(232,647)	(211,295)
	(53,429)	(23,539)	(32,424)	(49,722)	(32,186)
Experience adjustments arising on plan liabilities	(56,096)	(153)	(328)	(15,332)	(5,866)
Experience adjustments arising on plan assets	18,859	3,050	13,867	(8,759)	9,989

COMPANY

The expected long term rates of return on the scheme assets are 0% as the schemes closed after the year end.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

19. PENSION OBLIGATIONS (Continued)

The net pension liability is analysed as follows:

	At 31 December 2014 €'000	*% of scheme assets*	*At 31 December 2013 €'000*	*% of scheme assets*
Scheme assets at fair value:				
Equities	206	0.1%	77,555	35.9%
Bonds	135,175	55.2%	83,911	38.8%
Property	9,199	3.8%	8,258	3.8%
Other	99,896	40.9%	46,574	21.5%
Fair value of scheme assets	244,476		216,298	
Present value of scheme liabilities	(297,285)		(239,570)	
Defined benefit pension scheme deficit	(52,809)		(23,272)	
Related deferred tax asset	6,601		2,910	
Net pension liability	(46,208)		(20,362)	

The pension plan has not invested in any of the company's own financial instruments nor in properties or other assets used by the company.

Changes in the present value of the defined benefit obligations are analysed as follows:

	2014 €'000	*2013 €'000*
At beginning of year	239,570	236,618
Current service cost	1,981	2,396
Interest cost	8,950	8,966
Benefits paid	(9,234)	(9,280)
Actuarial loss	55,411	10
Past service cost amendment	(1,132)	(946)
Members contributions	1,929	1,994
Premiums paid	(190)	(188)
At end of year	297,285	239,570

NOTES FORMING PART OF THE CONSOLIDATED FINNCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

19. PENSION OBLIGATIONS (Continued)

Changes in the fair value of plan assets are analysed as follows:

	2014 *€'000*	*2013* *€'000*
At beginning of year	216,298	204,567
Expected return on plan assets	10,015	9,060
Employer contribution	7,044	7,240
Benefits paid	(9,234)	(9,280)
Actuarial gain	18,614	2,905
Members contributions	1,929	1,994
Premiums paid	(190)	(188)
	244,476	216,298

Changes in the fair value of plan assets are analysed as follows:

	2014 *€'000*	*2013* *€'000*	*2012* *€'000*	*2011* *€'000*	*2010* *€'000*
Fair value of scheme assets	244,476	216,298	204,567	181,446	177,712
Present value of defined benefit obligations	(297,285)	(239,570)	(236,618)	(230,675)	(209,615)
	(52,809)	(23,272)	(32,051)	(49,229)	(31,903)
Experience adjustments arising on plan liabilities	(55,411)	(10)	(304)	(15,125)	(5,711)
Experience adjustments arising on plan assets	18,614	2,905	13,753	(8,730)	9,876

The company paid pension scheme contributions of €1,886,000 in 2015 which are the company contributions up the date of closure.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

20. SHARE CAPITAL

	2014	2013
	€	€
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

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.

21. RECONCILIATION OF SHAREHOLDERS'(DEFICIT) FUNDS

GROUP

	Share capital	*Capital conversion reserve fund*	*Profit and loss account*	*Total*
	€	€	€	€
At 31 December 2012	625,138	9,871	21,872,846	22,507,855
Profit for financial year	-	-	4,793,369	4,793,369
Net actuarial loss on defined benefit pension scheme	-	-	1,787,000	1,787,000
Current tax on defined benefit pension scheme	-	-	749,000	749,000
At 31 December 2013	625,138	9,871	29,202,215	29,837,224
Profit for financial year	-	-	1,234,926	1,234,926
Net actuarial loss on defined benefit pension scheme	-	-	(33,501,000)	(33,501,000)
Current tax on defined benefit pension scheme	-	-	918,000	918,000
At 31 December 2014	625,138	9,871	(2,145,859)	(1,510,850)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

21. RECONCILIATION OF SHAREHOLDERS' (DEFICIT) FUNDS (Continued)

COMPANY

	Share capital	*Capital conversion reserve fund*	*Profit and loss account*	*Total*
	€	€	€	€
At 31 December 2012	625,138	9,871	23,528,642	24,163,651
Profit for financial year	–	–	3,165,504	3,165,504
Net actuarial loss on defined benefit pension scheme	–	–	1,798,000	1,798,000
Current tax on defined benefit pension scheme	–	–	749,000	749,000
At 31 December 2013	625,138	9,871	29,241,146	29,876,155
Profit for financial year	–	–	1,388,530	1,388,530
Net actuarial loss on defined benefit pension scheme	–	–	(33,106,000)	(33,106,000)
Current tax on defined benefit pension scheme	–	–	918,000	918,000
At 31 December 2014	625,138	9,871	(1,558,324)	(923,315)

22. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW

	2014	*2013*
	€	€
Operating profit	472,982	4,702,112
Investment impairment (gain)	723,317	(1,195,857)
Depreciation of tangible fixed assets	4,243,682	4,249,690
Decrease (increase) in stocks	567,333	(494,436)
Increase in debtors	(1,589)	(470,886)
Decrease in creditors	(23,534)	(4,687)
Decrease in operating provisions and pension balances	(6,273,785)	(6,010,967)
Net cash (outflow) inflow from operating activities	(291,594)	774,969

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

23. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2014 €	*2013* €
(Decrease) increase in cash	(131,368)	708,282
Decrease in overdraft	-	242,662
Decrease in debt	-	500,000
	(131,368)	1,450,944
Capital element of finance lease repaid	141,620	150,220
Movement in net funds in the year	10,252	1,601,164
Net funds at beginning of year	11,409,236	9,808,072
Net funds at end of year	11,419,488	11,409,236

24. ANALYSIS OF CHANGES IN NET FUNDS

	At 31 December 2013 €	*Cash flow* €	*At 31 December 2014* €
Cash	11,882,982	(131,368)	11,751,614
Finance leases	(473,746)	141,620	(332,126)
	11,409,236	10,252	11,419,488

25. COMMITMENTS

(a) *Finance leases – Group*

	2014 €	*2013* €
Finance lease obligations, net of interest, are due as follows:		
Within one year	115,792	141,618
After one but within five years	216,334	332,128
	332,126	473,746

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

25. COMMITMENTS (continued)

Finance leases – Company

	2014	*2013*
	€	€
Finance lease obligations, net of interest, are due as follows:		
Within one year	115,792	141,618
After one but within 5 years	216,334	332,128
	332,126	473,746

In addition the company has commitments to pay €155,805 in relation to support and maintenance costs between 2015 and 2017.

(b) *Operating leases*

The group has operating lease commitments payable in the next twelve months of €1,995,707 (2013: €2,068,810), which expire as follows:

GROUP	*Land and buildings*	*Other*	*Total*
	€	€	€
Within one year	–	82,607	82,607
Between one and five years	18,280	194,820	213,100
After five years	1,700,000	–	1,700,000
	1,718,280	272,427	1,995,707

COMPANY	*Land and buildings*	*Other*	*Total*
	€	€	€
Within one year	–	82,607	82,607
Between one and five years	–	188,917	188,917
After five years	1,700,000	–	1,700,000
	1,700,000	271,524	1,971,524

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

26. CONTINGENT LIABILITIES

There were no material contingent liabilities affecting the group or the company at 31 December 2014.

27. 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 2014 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

28. GROUP RELATIONSHIPS AND CONTROLLING PARTIES

The company is a wholly owned subsidiary of The Irish Times Holdings, 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 Limited, a company incorporated in the Republic of Ireland. The ultimate controlling party is The Irish Times Trust Limited. The consolidated financial statements of The Irish Times Trust Limited are filed in the Companies Registration Office, Parnell House, Parnell Square, Dublin 1.

29. RELATED PARTY TRANSACTIONS

The company has availed of the exemption provided in FRS 8 "Related Party Transactions" 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 FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014 (Continued)

29. RELATED PARTY TRANSACTIONS (continued)

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

	Sales To related Party 2014 €	*Sales To related Party 2013* €	*Purchases From related Party 2014* €	*Purchases From related Party 2013* €
Fortunegreen Limited	409,710	489,631	7,315	20,328
Gloss Publications Limited	29,400	12,120	22,144	19,170
Entertainment Media Networks Limited	35,063	36,465	7,800	7,296
Sortridge Limited	2,100,967	1,467,280	47,773	66,004
Digital Media Brokers Limited	7,038	1,327	–	4,000

	Amounts owed to Related Party 2014 €	*Amounts owed to Related Party 2013* €	*Amounts owed by Related Party 2014* €	*Amounts owed by Related Party 2013* €
Fortunegreen Limited	–	2,212	106,123	84,583
Gloss Publications Limited	668	9,779	10,332	-
Entertainment Media Networks Limited	–	2,927	40,200	-
Sortridge Limited	8,637	3,053	902,345	602,093
Digital Media Brokers Limited	–	–	8,657	-

30. SUBSEQUENT EVENTS

The company's defined benefit pension plans have been wound up effective 1 March 2015 and 19 June 2015. This has the effect of removing the FRS 17 liabilities of €46.7M from the balance sheet which is replaced with a liability equal to the funding commitment to a new defined contribution scheme of €11M. This amount is payable over 7 years.

31. 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 2014 on 23rd June 2015.