

**NORTHERN & SHELL FINANCING NO. 2 LIMITED**  
**ANNUAL REPORT & FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**NORTHERN & SHELL FINANCING NO. 2 LIMITED**

**ANNUAL REPORT**

**31 December 2013**

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**NORTHERN & SHELL FINANCING NO. 2 LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mr. R. Sanderson  
Mr. M.S. Ellice

**SECRETARY**

Mr. R. Sanderson

**COMPANY NUMBER**

07100894 (England)

**AUDITORS**

KPMG LLP  
8 Salisbury Square  
London, EC4Y 8BB  
United Kingdom

**BANKERS**

Barclays Bank  
27 Soho Square  
London, W1D 3QR  
United Kingdom

**REGISTERED OFFICE**

The Northern & Shell Building  
Number 10 Lower Thames Street  
London, EC3R 6EN  
United Kingdom

## **NORTHERN & SHELL FINANCING NO. 2 LIMITED**

### **DIRECTORS' REPORT**

#### **For the year ended 31 December 2013**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2013.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is a financing company. The Company was dormant in the comparative period.

#### **RESULTS AND DIVIDENDS**

The Company did not trade during the year and recorded a profit before taxation of £nil (2012: £nil). On the basis that there was no profit and loss activity in the year, or in the comparative period, the directors have not presented a profit and loss account.

The directors do not recommend the payment of a dividend (2012: £nil).

#### **REVIEW OF THE YEAR AND FUTURE PROSPECTS**

The directors consider the result for the year to be satisfactory. During the year, the Company issued 2 ordinary shares of £1 each in the capital of the Company to Northern & Shell Group Limited, for an aggregate subscription price of £159,000 (note 6).

The risks, uncertainties and key performance indicators pertaining to the Company are consistent with those experienced by the Company's fellow subsidiaries. They are discussed in the Strategic Report of Northern & Shell Media Group Limited, the ultimate parent of the Company.

The Company's net liabilities were £nil as at 31 December 2013 (2012: £159,000).

On 3 December 2013, the Company was transferred by Northern & Shell Luxembourg Finance No. 2 SARL to Northern & Shell Group Limited, a fellow group undertaking, for a total consideration of £1.

#### **DIRECTORS**

The membership of the board during the year is set out on page 2. These directors, and no others, held office throughout the entire year.

#### **FINANCIAL RISK MANAGEMENT**

The Company has not implemented specific measures to mitigate financial risks because the directors believe that the nature of the Company's operations are such that it is not exposed to financial risks that might impact adversely on the financial performance of the Company. The directors keep this position under constant review.

**NORTHERN & SHELL FINANCING NO. 2 LIMITED**

**DIRECTORS' REPORT**

**For the year ended 31 December 2013**


**DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**AUDITORS**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board:

A handwritten signature in black ink, appearing to be 'R. Sanderson', written in a cursive style.

Mr. R. Sanderson  
Secretary

Date: 24 June 2014

The Northern & Shell Building  
Number 10 Lower Thames Street  
London, EC3R 6EN  
United Kingdom

**NORTHERN & SHELL FINANCING NO. 2 LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND  
THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2013**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**NORTHERN & SHELL FINANCING NO. 2 LIMITED**

**For the year ended 31 December 2013**

We have audited the financial statements of Northern & Shell Financing No. 2 Limited for the year ended 31 December 2013 set out on pages 8 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**NORTHERN & SHELL FINANCING NO. 2 LIMITED**

**For the year ended 31 December 2013**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Adrian Wilcox (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
8 Salisbury Square  
London, EC4Y 8BB  
United Kingdom

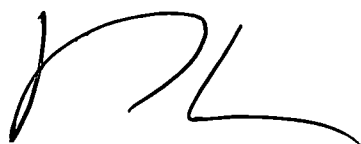
Date: 24 June 2014



**NORTHERN & SHELL FINANCING NO. 2 LIMITED****BALANCE SHEET as at 31 December 2013**

	Notes	2013 £000	2012 £000
<b>CURRENT ASSETS</b>			
Debtors	4	-	321
Cash at bank		-	10
		-	331
<b>CREDITORS: amounts falling due within one year</b>	5	-	(490)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		-	(159)
<b>NET ASSETS/(LIABILITIES)</b>		-	(159)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	10	10
Share premium	7	159	-
Profit and loss account	7	(169)	(169)
<b>TOTAL SHAREHOLDERS' FUNDS/(DEFICIT)</b>	8	-	(159)

These financial statements were approved by the Board of Directors and signed on its behalf by:



Mr. R. Sanderson  
Director

Date: 24 June 2014

Company registered number: 07100894

**NORTHERN & SHELL FINANCING NO. 2 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2013**

**1. PRINCIPAL ACCOUNTING POLICIES**

**( a ) Basis of accounting**

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards. The principal accounting policies are set out below.

**( b ) Going Concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

**( c ) Consolidated financial statements and cash flow statement**

The Company is a wholly owned subsidiary of Northern & Shell Media Group Limited and is included in the consolidated financial statements of Northern & Shell Media Group Limited.

Northern & Shell Media Group Limited prepares and files consolidated financial statements which include the cash flows of the Company. The Company has therefore relied on the exemption provided by FRS1 from preparing its own cash flow statement.

**( d ) Debtors**

Debtors are initially stated at fair value. The carrying value of debtors is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

Directors' emoluments are borne by Northern & Shell Plc, a fellow subsidiary.

The directors do not receive any fees or emoluments from the Company as their duties are incidental to their main duties to other subsidiary undertakings of Northern & Shell Media Group Limited.

There are no other employee costs.

**3. NOTES TO THE PROFIT AND LOSS ACCOUNT**

**Audit Services**

Auditor's remuneration of £3,000 in respect of the audit of these financial statements for the year ended 31 December 2013 (2012: £nil) is borne by Northern & Shell Plc, a fellow subsidiary.

**NORTHERN & SHELL FINANCING NO. 2 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2013**

**4. DEBTORS**

	<b>2013 £000</b>	<b>2012 £000</b>
Amounts owed by group undertakings	<u>-</u>	<u>321</u>

Amounts owed by group undertakings do not carry interest, are unsecured and repayable on demand.

**5. CREDITORS**

	<b>2013 £000</b>	<b>2012 £000</b>
Amounts owed to group undertakings with respect to group relief	<u>-</u>	<u>490</u>

Amounts owed to group undertakings with respect to group relief are non interest bearing.

**6. CALLED UP SHARE CAPITAL**

	<b>2013 £000</b>	<b>2012 £000</b>
Allotted and fully paid: 10,002 (2012: 10,000) ordinary shares of £1 each	<u>10</u>	<u>10</u>

On 3 December 2013, the Company issued 2 ordinary shares of £1 each in the capital of the Company to Northern & Shell Group Limited, for an aggregate subscription price of £159,000 (note 7).

**7. RESERVES**

	<b>Share Premium £000</b>	<b>Profit and loss £000</b>
At 1 January 2013	-	(169)
Result for the year	-	-
Share issue (note 6)	<u>159</u>	<u>-</u>
At 31 December 2013	<u>159</u>	<u>(169)</u>

**NORTHERN & SHELL FINANCING NO. 2 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2013**

**8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/(DEFICIT)**

	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
Result for the year	-	-
Share issue (note 6)	159	-
Decrease in shareholders' deficit	159	-
Opening shareholders' deficit	(159)	(159)
Closing shareholders' funds/(deficit)	-	(159)

**9. GUARANTEES AND CONTINGENT LIABILITIES**

The Company is part of the Northern & Shell Media Group Limited group. At 31 December 2013, certain claims in the normal course of business were pending against the Group and certain tax computations were still subject to agreement with the relevant taxation authorities. Although there is uncertainty regarding the final outcome of these matters, the directors believe, based on professional advice received, that adequate provision has been made in the financial statements for anticipated liabilities and the probable ultimate resolution of such matters will not have a material effect on the financial statements of the Company.

**10. RELATED PARTY TRANSACTIONS**

The Company is exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the Northern & Shell Media Group Limited group.

**11. ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking is Northern & Shell Group Limited and the ultimate parent undertaking is Northern & Shell Media Group Limited. The ultimate controlling party is Richard Desmond, the Chairman of Northern & Shell Media Group Limited.

The largest and smallest groups into which these accounts are consolidated are Northern & Shell Media Group Limited. Northern & Shell Media Group Limited is registered in England. Copies of the financial statements of Northern & Shell Media Group Limited can be obtained from: The Northern & Shell Building, Number 10 Lower Thames Street, London EC3R 6EN, United Kingdom.