



Independent Newspapers Finance Plc

Directors' report and
financial statements

For the year ended 27 December 2013



Independent Newspapers Finance Plc

Directors' report and financial statements

Year ended 27 December 2013

Contents

	<i>Page</i>
Directors and other information	2
Directors' report	3 - 4
Statement of directors' responsibilities	5
Independent auditor's report	6 - 7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 - 15

Independent Newspapers Finance Plc

Directors and other information

Directors	V Crowley (retired 2 June 2014) R J McClean E O'Kennedy
Secretary	S G Snoddy
Bankers	Lloyds TSB Bank Plc 25 Gresham Street London EC2V 7HN
Independent auditor	KPMG Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2
Registered office	11 Welbeck Street London W1G 9XZ United Kingdom
Registered number	03064815

Independent Newspapers Finance Plc

Directors' report

The directors present their report and the financial statements of Independent Newspapers Finance Plc ("the Company") for the year ended 27 December 2013

Principal activities, review of business and future developments

The principal activity during the year was the servicing of loans

The directors do not foresee any significant changes to the business in the forthcoming year

Results and dividends

The profit for the year, after taxation, amounted to £630,000 (2012 £630,000)

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

Going concern

This financial information has been prepared on the going concern basis, which assumes that the Company will continue to be able to meet its liabilities as they fall due for the foreseeable future

Directors and secretary

The directors and secretary who served during the year are set out on page 1

Vincent Crowley retired as director on 2 June 2014

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties relate to the recoverability of the loans. As all loans are inter-group loans these risks are minimised

Key performance indicators ('KPIs')

Given the straightforward nature of the business, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Small companies exemption

The directors have availed of the small companies exemption provided by section 414B of the Companies Act 2006 and has not presented a separate strategic report

Political contributions

The Company made no political contributions or incurred any political expenditure during the year (2012 £nil)

Independent Newspapers Finance Plc

Directors' report (*continued*)

Post balance sheet events

There have been no significant events since the balance sheet date that would require adjustments to the financial statements or inclusion of a note thereto

Statement of disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information

Independent auditors

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

On behalf of the board



R J McClean
Director

12 June 2014

Independent Newspapers Finance Plc

Statement of directors' responsibilities in relation to the directors' report and financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have 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 judgements and accounting 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 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 board



R J McClean
Director

12 June 2014



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Independent auditor's report to the members of Independent Newspapers Finance Plc

We have audited the financial statements of Independent Newspapers Finance Plc for the year ended 27 December 2013 which comprise the profit and loss account, the balance sheet and the related notes. 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 auditor

As explained more fully in the Statement of directors' responsibilities 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 Financial Reporting Council'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 company 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 annual report to identify material inconsistencies with the audited financial statements. 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 state of the Company's affairs as at 27 December 2013 and of its profit 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.



Independent auditor's report to the members of Independent Newspapers Finance Plc *(continued)*

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

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

Ruaidhri Gibbons (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2

12 June 2014

Independent Newspapers Finance Plc

Profit and loss account

for the year ended 27 December 2013

	<i>Notes</i>	2013 £	2012 £
Interest receivable and similar income	<i>4</i>	630,000	630,000
Profit on ordinary activities before taxation		630,000	630,000
Tax on profit on ordinary activities	<i>5</i>	-	-
Profit for the financial year	<i>8</i>	630,000	630,000

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account.

The notes on pages 10 to 15 form an integral part of these financial statements

On behalf of the board



R J McClean
Director

Independent Newspapers Finance Plc

Balance sheet

as at 27 December 2013

	<i>Note</i>	27 December 2013 £	28 December 2012 £
Current assets			
Debtors amounts falling due after more than one year	6	10,500,000	10,500,000
Debtors amounts falling due within one year	6	142,213	142,213
Cash at bank and in hand		1,191	1,191
		<hr/>	<hr/>
		10,643,404	10,643,404
Creditors amounts falling due within one year	7	(4,580,106)	(5,210,106)
		<hr/>	<hr/>
Net current assets		6,063,298	5,433,298
		<hr/>	<hr/>
Net assets		6,063,298	5,433,298
		<hr/>	<hr/>
Capital and reserves			
Called up share capital		50,000	50,000
Capital redemption reserve	8	10,500,000	10,500,000
Profit and loss account	8	(4,486,702)	(5,116,702)
		<hr/>	<hr/>
Shareholders' funds	9	6,063,298	5,433,298
		<hr/>	<hr/>

The notes on pages 10 to 15 form an integral part of these financial statements

On behalf of the board



R J McClean
Director

Independent Newspapers Finance Plc

Notes

forming part of the financial statement

1. Accounting policies

1.1 Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Cash flow statement

The Company, as a wholly owned subsidiary of a group which publishes consolidated financial statements which incorporate the cash flows of the Company, has taken advantage of the exemption provided in Financial Reporting Standard 1 (revised 1996) not to produce a cash flow statement.

1.3 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract.

Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

1.4 Financial instruments

The Company has taken advantage of the exemption within FRS 25 from the disclosure requirements of this standard on the basis that the Company is included in the publicly available consolidated financial statements of the Group which include disclosures that comply with IAS 32, which is equivalent to FRS 25.

1.5 Financial year

The financial year ends on the Friday nearest 31 December. Periodically this will result in a fifty-three week year. There were 52 weeks in the 2013 financial year and 52 weeks in the 2012 financial year.

Independent Newspapers Finance Plc

Notes (*continued*)

2 Operating profit

Auditor's remuneration was borne by the parent company in 2013 and 2012

3 Directors' emoluments and employees

The Company has no employees other than the directors, who did not receive any remuneration during the year (2012 £nil).

4 Interest receivable and similar income

	2013 £	2012 £
Interest receivable from fellow group undertakings	630,000	630,000

5 Tax on profit on ordinary activities

	2013 £	2012 £
UK corporation tax charge on profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 lower than) the standard effective rate of corporation tax in the UK of 23.25% (2012 24.5%). The differences are explained overleaf

Independent Newspapers Finance Plc

Notes (*continued*)

5 Tax on profit on ordinary activities (*continued*)

Factors affecting tax charge for the year (*continued*)

	2013 £	2012 £
Profit on ordinary activities before tax	630,000	630,000
Profit on ordinary activities multiplied by standard effective rate of corporation tax in the UK of 23.25% (2012: 24.5%)	146,475	(154,350)
Effects of:		
Expenses not deductible for tax purposes	(5,125)	-
Group relief (received)/ surrendered	(141,350)	(154,350)
Current tax charge for the year	-	-

Factors that may affect future tax charges

The standard rate of corporation tax in the UK reduced from 24% to 23% with effect from 1 April 2013 and accordingly the Company's profits for the financial year were taxed at an effective rate of 23.25% (2012: 24.5%)

Further reductions to the UK corporation tax rate were announced in the December 2013 Autumn Statement and the March 2013 Budget. Further reductions to the main rate were proposed to reduce the rate by a further 3% to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes in the corporation tax rate from 23% to 20% were substantively enacted on 2 July 2013 and, therefore, are recognised in these financial statements.

Independent Newspapers Finance Plc

Notes (continued)

6 Debtors

	27 December 2013 £	28 December 2012 £
<i>Due after more than one year</i>		
Amounts owed by group undertakings	10,500,000	10,500,000
	<hr/>	<hr/>
	27 December 2013 £	28 December 2012 £
<i>Due after within one year</i>		
Amounts owed by group undertakings	142,213	142,213
	<hr/>	<hr/>

The amount owed by the fellow subsidiary undertakings relates to a loan of principal amount £10,500,000 which is unsecured and bears interest at 6% per annum

7 Creditors: amounts falling due within one year

	27 December 2013 £	28 December 2012 £
Amounts owed to group undertakings	4,580,106	5,210,106
	<hr/>	<hr/>

Amounts owed to the parent undertaking are non-interest bearing and unsecured

8 Reserves

	Capital redemption reserve £	Profit and loss account £
At 1 January 2013	10,500,000	(5,116,702)
Profit for the financial year	-	630,000
	<hr/>	<hr/>
At 27 December 2013	10,500,000	4,486,702
	<hr/>	<hr/>

Independent Newspapers Finance Plc

Notes (continued)

9 Reconciliation of movement in shareholders' funds

	27 December 2013 £	28 December 2012 £
Opening shareholders' funds	5,433,298	4,803,298
Profit for the financial year	630,000	630,000
	<hr/>	<hr/>
Closing shareholders' funds	6,063,298	5,433,298
	<hr/>	<hr/>

10 Related party transactions

As the Company is a wholly owned subsidiary of Independent News & Media Plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the Group. There are no other related party transactions.

11 Contingent liabilities

Guarantor to facilities

As in the prior year certain material subsidiaries in the wider Independent News & Media Plc Group, as defined by the Bank Facilities, have granted fixed and floating charges over certain Group assets in connection with the 2013 Bank Facilities. An Inter creditor Agreement also exists in relation to these facilities. This agreement provides that, in a liquidation situation, all intergroup debt within those companies which have signed up to the agreement is subordinated to the Bank Facilities until such time as this debt has been discharged in full. Independent Newspapers Finance Plc has signed up to this agreement.

12 Ultimate parent undertaking and controlling party

The immediate parent company and controlling party is Independent News & Media (UK) Limited.

The ultimate parent company is Independent News & Media PLC, a company incorporated in the Republic of Ireland.

Independent News & Media PLC is the parent undertaking of the smallest and largest group to consolidate these financial statements. A copy of those accounts can be obtained from Independent House, Talbot Street, Dublin 1, Ireland.

Independent Newspapers Finance Plc

Notes (*continued*)

13 Post balance sheet events

There have been no significant events since the balance sheet date that would require adjustments to the financial statements or inclusion of a note thereto

14 Approval of financial statements

The financial statements were approved by the directors on 12 June 2014