

Registered number 05910483

Mecom Media Scandinavia Holdings 2 Limited

Annual report and financial statements

for the year to 31 December 2009

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Mecom Media Scandinavia Holdings 2 Limited

Registered No 05910483

Directors

Keith Allen

Henry Davies

Jonathan Digges

Paul Vickers (resigned 23 February 2009)

Secretary

Paul Vickers (resigned 23 February 2009)

Jaime Tham

Auditors

Ernst & Young LLP

1 More London Place

London SE1 2AF

Bankers

Barclays Bank PLC

First Floor

27 Soho Square

London W1D 3QR

Registered Office

70 Jermyn Street

London SW1Y 6NY

Registered No 05910483

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Directors' report

The Directors present their annual report and the audited financial statements for the year to 31 December 2009

Principal activity and future developments

The principal activity of the Company is to act as an intermediate holding company within the Mecom Group. No changes to the Company's principal activity are currently envisaged.

Results and dividends

In the year ended 31 December 2009, the Company recorded a profit for the year of nil (2008 loss of £209,500,000).

No trading has occurred during the year. Such circumstances are in line with the Directors' expectations.

The Directors do not recommend the payment of a dividend (2008: £nil).

Directors

The Directors who served during the year ended 31 December 2009 are listed on page 1.

Directors' interests

The provisions of the Companies Act 1985 requiring disclosure of Directors' interests in the shares of Mecom Group plc have been repealed by the Companies Act 2006. As such, no details have been included.

Financial risk management objectives and policies

The Company's risk management objectives and policies are not considered material for an assessment of the Company's assets, liabilities, financial position and result. The Company has no material exposure to price risk, credit risk, liquidity risk and cash flow risk.

Principal risks and uncertainties

As no trading has occurred during the year and the Company is a holding company, risk is limited to the carrying value of investments.

Auditors

In accordance with the Companies Act 2006 requirement, the Company no longer needs to hold an Annual General Meeting. The auditors are therefore deemed to be reappointed.

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Directors' statement as to disclosure of information to auditors

The Directors who were members of the board at the time of approving the Directors' Report are listed on page 1. Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that

- To the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware, and
- Each Director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of the information

By order of the Board



Henry Davies
Director
22 March 2010

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Statement of directors' responsibilities

The Directors, as listed on page 1, are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

The financial statements are required by law to 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 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, as listed on page 1, are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to 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.

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Independent auditor's report to the members of Mecom Media Scandinavia Holdings 2 Limited

We have audited the financial statements of Mecom Media Scandinavia Holdings 2 Limited for the year ended 31 December 2009 which comprise the Profit and Loss account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 2009 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

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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

Ernst & Young LLP

Philip Young (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

22 March 2010

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Profit and loss account

for the year ended 31 December 2009

	<i>Notes</i>	2009 £000	2008 £000
Administrative expenses			
Exceptional items	5	-	209,500
Loss for the year before tax		-	209,500
Tax	11	-	-
Loss for the year after tax		-	209,500

All activities relate to continuing operations

There have been no recognised gains or losses in the year ended 31 December 2009 (year ended 31 December 2008 £nil) other than those presented above and as such no Statement of Total Recognised Gains and Losses has been shown in the financial statements

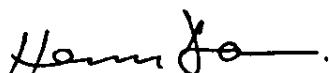
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Balance sheet

as at 31 December 2009

	Notes	2009 £000	2008 £000
Fixed assets			
Investments	6	109,700	109,700
		<u>109,700</u>	<u>109 700</u>
Creditors: amounts falling due after more than one year	7	(33,824)	(33,824)
Net assets		<u>75,876</u>	<u>75,876</u>
Equity shareholder's funds			
Called up share capital	8	2,832	2,832
Share premium account	9	280,342	280,342
Profit and loss reserve	9	(207,298)	(207,298)
Total equity shareholder's funds		<u>75,876</u>	<u>75,876</u>

The financial statements were approved by, and signed on behalf of, the Board of Directors on 22 March 2010



Henry Davies
Director
22 March 2010

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Notes to the financial statements

for the year ended 31 December 2009

1. Principal accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied and reviewed by the Board of Directors in accordance with Financial Reporting Standard (FRS) 18, *Accounting policies*, is set out below.

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention and have been prepared on a going concern basis, because the ultimate parent undertaking, Mecom Group plc, has agreed formally to continue to provide financial support to the Company to allow it to meet its liabilities as they fall due. The Company has taken advantage of the exemption available under s400 of the Companies Act 2006 not to prepare group accounts. The information presented represents information about the Company as an individual undertaking only. The results, assets and liabilities of the Company's subsidiary undertakings are included in the consolidated financial statements of the Company's parent undertaking, Mecom Group plc.

Investments

Investments in subsidiaries are valued at cost less provisions for impairment. The Company assesses the recoverable amount of its investments in Group undertakings in conjunction with the relevant amounts of post-impairment shareholders' funds in the balance sheet. Any required adjustment to the carrying amount of its investments in Group undertakings is recognised in the Company's profit and loss account.

Cash flow statement

As permitted by FRS 1, (*Revised 1996*) *Cash Flow Statements*, the Company has not prepared a cash flow statement as its ultimate parent undertaking, Mecom Group plc, has prepared consolidated financial statements which incorporate the results of the Company and which include a consolidated cash flow statement.

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the

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Notes to the financial statements

for the year ended 31 December 2009

1. Principal accounting policies (continued)

Taxation (continued)

taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the balance sheet date

Related party transactions

The Company has taken advantage of the exemption contained in FRS 8, *Related Party Disclosures* and has therefore not disclosed transactions or balances with entities which form part of the Mecom Group

2. Directors emoluments

The Directors did not receive any remuneration from the Company during the year (year ended 31 December 2008 £nil) All remuneration was paid by Mecom Group plc, the Company's ultimate parent undertaking, and all remuneration of the Directors who are also directors of Mecom Group plc is disclosed in the financial statements of Mecom Group plc

3. Employee information

The Company had no employees (other than Directors) throughout the year (2008 none)

4. Profit on ordinary activities before tax

Auditors' remuneration has been borne by the Company's parent undertaking, Mecom Group plc

5. Exceptional items

	Note	2009 £000	2008 £000
Impairment of subsidiaries	6	-	209,500

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Notes to the financial statements

for the year ended 31 December 2009

6. Fixed asset investments

	Mecom Poland Holdings Spz o o	Mecom Europe AS	Mecom Denmark Holdings AS	Total
<i>Shareholding (%)</i>	100	100	100	
	£000	£000	£000	£000
<i>Cost or valuation</i>				
At 1 January 2009 and 31 December 2009	-	239,400	79,800	319,200
<i>Impairment</i>				
At 1 January 2009 and 31 December 2009	-	(129,700)	(79,800)	(209,500)
<i>Net book value</i>				
At 1 January 2009 and 31 December 2009	-	109,700	-	109,700

Fixed asset investments represent 100% of the ordinary share capital of Mecom Poland Holdings Spz o o, Mecom Europe AS and Mecom Denmark Holdings ASA, companies incorporated in Poland, Norway and Denmark respectively. The principal activities of Mecom Poland Holdings Spz o o, Mecom Europe AS and Mecom Denmark Holdings ASA are that of intermediate holding companies. Mecom Poland Holdings Spz o o was put into Members Voluntary liquidation on 3 February 2010.

7. Creditors: amounts falling due after more than one year

	2009 £000	2008 £000
Amounts owed to group undertakings	33,824	33,824

8. Called-up share capital

	2009 £000	2008 £000
Allotted, called-up and fully paid 2,831,839 ordinary shares of £1 each	2,832	2,832

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Notes to the financial statements

for the year ended 31 December 2009

9. Equity shareholder's funds

	Profit and loss reserve £000	Share premium account £000	Total reserves £000
At 1 January 2009	(207,298)	280,342	73,044
Loss for the year	-	-	-
At 31 December 2009	<u>(207,298)</u>	<u>280,342</u>	<u>73,044</u>

10. Reconciliation of movements in shareholder's funds

	2009 £000
Equity shareholder's funds at 1 January 2009	75,876
Loss for the year	-
Equity shareholder's funds at 31 December 2009	<u>75,876</u>

11. Tax

There is no UK corporation tax charge/(credit) for the year ended 31 December 2009

The differences arising between the total current tax for the period and the amount calculated by applying the standard rate of UK corporation tax to the result on ordinary activities before taxation is as follows

	2009 £000	2008 £000
Loss on ordinary activities before taxation	-	(209,500)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 28.5%)	-	(59,707)
Effects of current year tax losses for which no deferred tax is recognised	-	59,707
Current tax for the year	<u>-</u>	<u>-</u>

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Notes to the financial statements

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12. Related party transactions

The Company has taken advantage of the exemption contained in FRS 8, *Related Party Disclosures* and has therefore not disclosed transactions or balances with entities which form part of the Mecom Group

13. Ultimate and immediate parent undertaking

The Directors regard Mecom Group plc, a company registered in England and Wales, as the ultimate parent company and controlling party. The immediate parent undertaking is Mecom Media Scandinavia Holdings 1 Limited.

Copies of Mecom Group plc's consolidated financial statements are available from the Company Secretary, 70 Jermyn Street, London, SW1Y 6NY.