

**Company Number: 07844526**

**Everything Everywhere Finance Plc**  
**Interim Condensed Financial Statements**  
**For the period ended 30 June 2013**

# Everything Everywhere Finance Plc

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# Everything Everywhere Finance Plc

## Directors and advisers

### Directors

Olaf Swantee  
Neal Milsom

### Secretary

James Blendis  
Charles Mowat

### Registered office

Hatfield Business Park  
Hatfield  
Hertfordshire  
AL10 9BW

### Auditors

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

# Everything Everywhere Finance Plc

## Income statement

For the period six months ended 30 June 2013

	6 months ended 30 June 2013	11 November 2011 to 30 June 2012 Restated
	Unaudited	
	£000	£000
Revenue	39,375	21,577
Finance expense	(39,375)	(21,577)
<b>Operating profit</b>	-	-
<b>Profit before tax</b>	-	-
Income tax	-	-
<b>Profit for the period</b>	-	-

There was no other comprehensive income in the period.

# Everything Everywhere Finance Plc

## Statement of financial position As at 30 June 2013

	Note	30 June 2013 £'000 Unaudited	31 December 2012 £'000 Audited
<b>Current assets</b>			
Amounts receivable from parent		2,310,390	2,160,970
Cash and cash equivalents		50	50
<b>Total current assets</b>		<b>2,310,440</b>	<b>2,161,020</b>
<b>Total assets</b>		<b>2,310,440</b>	<b>2,161,020</b>
<b>Current liabilities</b>			
Accrued interest		(30,142)	(39,091)
<b>Total current liabilities</b>		<b>(30,142)</b>	<b>(39,091)</b>
<b>Non current liabilities</b>			
Financial liabilities held at amortised cost	5	(2,280,248)	(2,121,879)
<b>Total non current liabilities</b>		<b>(2,280,248)</b>	<b>(2,121,879)</b>
<b>Total liabilities</b>		<b>(2,310,390)</b>	<b>(2,160,970)</b>
<b>Total net assets</b>		<b>50</b>	<b>50</b>
<b>Capital and reserves</b>			
Share capital		50	50
<b>Total equity</b>		<b>50</b>	<b>50</b>

These interim financial statements were approved by the board of Directors on 19 July 2013 and were signed on its behalf by



Neal Milsom  
Director

# Everything Everywhere Finance Plc

## Statement of changes in equity For the six months ended 30 June 2013

	Share capital	Retained earnings	Total
	£'000	£'000	£'000
<b>Unaudited</b>			
<b>At 11 November 2011</b>	-	-	-
Incorporation of company	50	-	50
Total comprehensive income for the period	-	-	-
<b>At 30 June 2012</b>	<b>50</b>	<b>-</b>	<b>50</b>
<b>Unaudited</b>			
<b>At 1 January 2013</b>	<b>50</b>	<b>-</b>	<b>50</b>
Total comprehensive income for the period	-	-	-
<b>At 30 June 2013</b>	<b>50</b>	<b>-</b>	<b>50</b>

# Everything Everywhere Finance Plc

## Statement of cash flows For the six months ended 30 June 2013

	6 months ended 30 June 2013 £'000	11 November 2011 to 30 June 2012 £'000 Restated
	Unaudited	
<b>Operating activities</b>		
Profit for the period	-	-
Interest received	46,054	-
Interest paid	(46,054)	(4,569)
	-	(4,569)
<b>Net cash used in operating activities</b>	<b>-</b>	<b>(4,569)</b>
<b>Investing activities</b>		
Loans advanced to parent company	(437,500)	(1,739,050)
Receipts from parent company	320,000	217,582
	(117,500)	(1,521,468)
<b>Net cash used in investing activities</b>	<b>(117,500)</b>	<b>(1,521,468)</b>
<b>Financing activities</b>		
<i>Proceeds from new borrowings</i>		
Non-current borrowings	437,500	1,739,050
Transaction costs paid	-	(15,513)
<i>Redemptions and repayments</i>		
Non-current borrowings	(320,000)	(197,500)
	117,500	1,526,037
<b>Net cash provided by financing activities</b>	<b>117,500</b>	<b>1,526,037</b>
<b>Net change in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the period	50	-
<b>Cash and cash equivalents at the end of the period</b>	<b>50</b>	<b>-</b>

# Everything Everywhere Finance Plc

## Notes to the interim condensed financial statements

### 1. General information

The interim condensed financial statements do not constitute statutory accounts within the meaning of the Companies Act 2006.

The financial information for the period ended 31 December 2012 is based on the statutory accounts of Everything Everywhere Finance plc ("EEF plc" or "the Company") for that period. The auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement made under Section 498(2) or (3) of the Companies Act 2006.

The interim condensed financial statements do not include all the information and disclosure included in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2012.

The Company was formed on 11 November 2011. Consequently the period ended 30 June 2012 is a long period of account. Some minor reclassifications of presentation of line items within the cashflow statement and classifying finance expense in this company as an operating expense in the income statement have been made to bring the presentation in the interim accounts in line with the 31 December 2012 annual financial statements.

The interim condensed financial statements are unaudited but have been reviewed by the auditors. A copy of their review report is included at the end of this report.

The interim condensed financial statements for the period ended 30 June 2013 were approved by the directors on 19 July 2013.

### 2. Accounting policies

#### 2.1 Basis of preparation

The annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. These interim condensed financial statements have been prepared in accordance with IAS34 "Interim Financial Reporting" as issued by the International Accounting Standards Board and endorsed and adopted for use in the European Union. Consequently, the interim condensed financial statements do not include all the disclosure that would be required in a full set of financial statements and should be read in conjunction with the financial statements for the year ended 31 December 2012. The accounting policies adopted are consistent with those applied in the financial statements for the year ended 31 December 2012, except for the adoption of new and amended standards noted in section 3.

The tax for the half year is based on the estimated effective tax rate for the year as a whole.

#### Going concern

EEF plc's ability to continue as a going concern is dependent upon its immediate parent company, Everything Everywhere Limited ("EE").

The results of EE Limited and its group are set out in its interim consolidated financial statements. The Directors of EE Limited have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of EE to continue as a going concern. EE has guaranteed the debt held by EEF plc.

EE Group is expected to continue to generate positive operating cash flows for the foreseeable future.

### 3. Adoption of new and current standards

IFRS 7 "Financial Instruments: Disclosure" – offsetting financial assets and liabilities and IFRS 13 Fair Value Measurement became effective for accounting period commencing on 1 January 2013. They will not affect the Company's financial position or performance.

### 4. Operating segments

The Company's sole purpose is to raise finance for EE. As such, there are not considered to be separable identifiable operating segments for which financial information can be presented.



# Everything Everywhere Finance Plc

## Notes to the interim condensed financial statements (continued)

### 5. Financial liabilities and events or transactions that are material to an understanding of the current interim period

The Company's borrowings as at 30 June 2013 and 31 December 2012 are set out below at amortised cost.

These borrowings are paid up to and are repayable by EE on demand:

	Interest rate  %	Maturity	30 June 2013 £'000	31 December 2012 £'000
<b>Non-current</b>				
<b>European medium term note programme</b>				
Euro medium term notes – five year bond	3.5	6 February 2017	424,591	408,079
Euro medium term note – seven year bond	4.375	28 March 2019	444,843	444,456
Euro Medium term note – six year bond	3.25	3 August 2018	509,442	486,242
<b>Total EMTN</b>			<b>1,378,876</b>	<b>1,338,777</b>
Revolving credit facility	LIBOR plus 1.05%	November 2016	115,510	-
Syndicated loan facilities	LIBOR plus 1.3%	November 2014	436,125	433,365
European Investment Bank loan	2.21%	December 2017	349,737	349,737
<b>Total other</b>			<b>901,372</b>	<b>783,102</b>
<b>Total non-current financial liabilities</b>			<b>2,280,248</b>	<b>2,121,879</b>

The directors consider that there is no material difference between the carrying values and fair values of the liabilities above.

#### EMTN

During the six months ended 30 June 2013, EEF plc has not raised any further funds under the £3,000 million EMTN programme.

The Prospectus for the EMTN programme was re-issued in March 2013 and is extant until March 2014, enabling the issue of further bonds if required.

#### Revolving credit facility ("RCF")

The revolving credit facility of £437.5 million was fully drawn down in January 2013 and subsequently during the period, £320 million was repaid.

# Everything Everywhere Finance Plc

## Notes to the interim condensed financial statements (continued)

### 6. Financial risk management, objectives and policies

The Company and its transactions are set up in such a way that significant risks have been transferred to EE.

#### Credit risk

The Company has £2.3 billion (31 December 2012: £2.1 billion) of financial liabilities outstanding at 30 June 2013. It is solely reliant on EE to be able to repay these liabilities. EE has guaranteed the loans and bonds issued by EEF plc and therefore bears responsibility for this repayment. The Directors of EEF plc have assessed the ability of EE to repay the financing and have not identified any issues which would cause them to doubt EE's ability to satisfy its obligations to EEF plc.

#### Interest rate risk

Interest repayments are recharged to EE so EEF plc is not susceptible to changes in interest rates.

#### Foreign exchange rate risk

The Company has issued bonds in Euros and it therefore incurs risks associated with foreign exchange rate movements. The Company mitigates foreign exchange rate risk through its reciprocal funding relationship with EE, therefore, a net nil foreign exchange difference has been recognised in the income statement.

#### Liquidity risk

The Company has an obligation to repay the interest and principal on the loans and bonds it has issued.

The table below summarises the Company's financial liabilities at 30 June 2013 based on contractual undiscounted payments. Interest rates on variable rate loans have been based on the rates in effect at the period end.

	On demand	Less than 12 months	1 to 3 years	3 to 5 years	More than 5 years
	£'000	£'000	£'000	£'000	£'000
Interest bearing loans and borrowings					
EMTN	-	51,315	102,629	515,065	999,229
Other	-	18,107	463,404	479,790	-
	<u>-</u>	<u>69,422</u>	<u>566,033</u>	<u>994,855</u>	<u>999,229</u>

The Company has a receivable from EE that is short term and that can be used to match these repayments as they fall due.

# Everything Everywhere Finance Plc

## Notes to the interim condensed financial statements (continued)

### 7. Related party transactions

During the period, EEF plc has had a number of transactions with its parent company EE:

	6 months ended 30 June 2013 £'000	Period ended 30 June 2012 £'000
<b>Income and expense</b>		
Recharge of interest to EE	39,375	21,577
<b>Cash transactions</b>		
Payments to EE	(437,500)	(1,739,050)
Receipts from EE	366,054	217,582
	As at 30 June 2013 £'000	As at 31 December 2012 £'000
<b>At period end</b>		
Amounts receivable from EE	2,310,390	2,160,970

Amounts receivable from EE reflect the up streaming of funds borrowed under the facilities described in note 5 above, together with accrued interest.

### 8. Subsequent material events

None noted.

# Everything Everywhere Finance Plc

## Independent review report to the members of Everything Everywhere Finance Plc

### Introduction

We have been engaged by the company to review the condensed set of financial statements in the interim financial report for the six months ended 30 June 2013 which comprises the Income statement, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and explanatory notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

### Directors' Responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

As disclosed in note 2.1, the annual financial statements of the company are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

### Our Responsibility

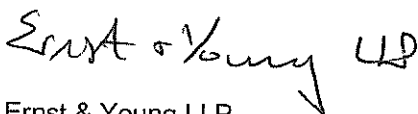
Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six months ended 30 June 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.



Ernst & Young LLP  
London  
19 July 2013