

Second Continuation Limited

Report of the Directors and Financial Statements
for the year ended 31 March 2014



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Report of the Directors



The Directors present their Directors' report and financial statements for the year ended 31 March 2014.

Principal Activities and Business Review

The Company is an investment holding company and owns 100 per cent of the issued share capital of New Court Securities Limited. The Company did not trade during this or the prior year. The Company's profit before tax was £nil (2013: £nil).

The Directors consider the Company to be a going concern.

Dividends

The Directors do not recommend the payment of a dividend (2013: £nil).

Directors

The Directors which held office during the year was as follows:

Anthony Chapman

Anthony Coghlan

Mark Crump

Jonathan Westcott

Auditors

Our auditor, KPMG Audit Plc, has instigated an orderly wind down of business. The Board has decided to put KPMG LLP forward to be appointed as auditor for the year ending 31 March 2015 and a resolution concerning its appointment will be put forward to the forthcoming Annual General Meeting of the Company.

Audit Information

The Directors who held office at the date of approval of this Report of the Directors 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 or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By Order of the Board

N M Rothschild & Sons Limited

Secretary

New Court, St. Swithin's Lane, London EC4N 8AL

10 September 2014

Statement of Directors' Responsibilities in Respect of the Directors' Report and the 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

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 estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; 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.

By Order of the Board

Anthony Coghlan, Director

10 September 2014

Independent Auditor's Report to the Members of Second Continuation Limited



We have audited the financial statements of Second Continuation Limited for the year ended 31 March 2014 set out on pages 6 to 9. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU.

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 Directors' Responsibilities Statement set out on page 3, 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 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.

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 March 2014 and of its result for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the 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 Second Continuation Limited



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.

Ravi Lamba (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

15 Canada Square

London E14 5GL

10 September 2014

Balance Sheet

At 31 March 2014



	Notes	2014 £	2014 £	2013 £	2013 £
Non-current assets					
Investment in subsidiary undertaking	5		99,580		99,580
Current assets					
Cash and cash equivalents	6	19,267		19,267	
Loan to parent undertaking	8	1,098,882		1,098,882	
Net current assets			1,118,149		1,118,149
Total assets			1,217,729		1,217,729
Shareholders' equity					
Share capital	7		1,100,000		1,100,000
Retained earnings			117,729		117,729
Total shareholders' equity			1,217,729		1,217,729

Statement of Comprehensive Income

During the financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during the year, the Company made neither a profit nor a loss (2013: £nil). There was no other recognised income or expense in other comprehensive income during the year (2013: £nil).

Statement of Changes in Equity

	Share Capital £	Retained Earnings £	Total Equity £
At 1 April 2013	1,100,000	117,729	1,217,729
At 31 March 2014	1,100,000	117,729	1,217,729
At 1 April 2012	1,100,000	117,729	1,217,729
At 31 March 2013	1,100,000	117,729	1,217,729

Cash Flow Statement

At the beginning and end of the year the Company held cash of £19,267. There were no cash movements during the year.

These financial statements were approved by the Board of Directors on 10 September 2014 and signed on its behalf by:

Anthony Coghlan
Director

The notes on pages 7 to 9 form an integral part of these financial statements.

Notes to the Financial Statements

(forming part of the Financial Statements)

For the year ended 31 March 2014



1. Accounting Policies

Second Continuation Limited (the "Company") is a company incorporated in the United Kingdom. The principal accounting policies which have been consistently adopted in the presentation of the financial statements are as follows:

a. Basis of preparation

The financial statements are prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations, endorsed by the European Union ("EU") and with those requirements of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are prepared under the historical cost accounting rules and presented in sterling, unless otherwise stated.

These financial statements have been prepared on a going concern basis.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

Standards affecting the financial statements

In the current year, there have been no new or revised Standards and Interpretations that have been adopted that have affected the amounts reported in these financial statements.

Future accounting developments

A number of new standards, amendments to standards and interpretations are effective for accounting periods ending after 31 March 2014 and therefore have not been applied in preparing these financial statements. None of these are expected to have a significant effect on future financial statements.

b. Investment in subsidiary undertaking

Investment in subsidiary undertaking is stated at cost less provisions to take account, where appropriate, of any permanent impairment in value.

c. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and balances with banks.

d. Capital management

The Company is not subject to any externally imposed capital requirements. It is dependent on Rothschild's Continuation Limited (the parent undertaking) to provide capital resources which are therefore managed on a group basis.

Notes to the Financial Statements

(forming part of the Financial Statements)



2. Financial Risk Management

The Company follows the financial risk management policies of the parent undertaking, Rothschilds Continuation Limited. The key risks arising from the Company's activities involving financial instruments, which are monitored at the group level, are credit risk, market risk and liquidity risk.

- Credit risk – the risk of loss arising from client or counterparty default is not considered a significant risk to the Company as all asset balances are with other group companies as detailed in note 9 Related Party Transactions.
- Market risk – the Company does not have exposure to changes in market variables such as interest rates, currency exchange rates, equity and debt prices.
- Liquidity risk – the Company does not have any exposure to liquidity risk as it does not have any financial liabilities.

3. Directors' Emoluments

No Director received any remuneration in respect of their services to the Company during the year (2013: £nil).

4. Audit Fees

The amount receivable by the auditors and their associates in respect of the audit of these financial statements is £3,750 (2013: £2,500). The audit fee is paid on a group basis by N M Rothschild & Sons Limited.

5. Investment in Subsidiary Undertaking

	£
Cost	
At beginning and end of year	99,580

The Company owns 100 per cent of the issued ordinary share capital of New Court Securities Limited, an investment holding company incorporated in the United Kingdom.

6. Cash and Cash Equivalents

At the year end the Company held cash of £19,267 (2013: £19,267) at a fellow subsidiary undertaking. The balance is non-interest bearing.

Notes to the Financial Statements

(forming part of the Financial Statements)



7. Share Capital

	2014	2013
Authorised		
Ordinary shares of £1 each	1,100,000	1,100,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	1,100,000	1,100,000

8. Loan to parent undertaking

	2014	2013
	£	£
Loan to parent undertaking	1,098,882	1,098,882

The loan is unsecured and non-interest bearing. The loan to parent undertaking is held at amortised cost. The fair value is not materially different from the carrying value as it is repayable on demand (level 2).

9. Related party transactions

Parties are considered related if one party controls, is controlled by or has the ability to exercise significant influence over the other party. This includes key management personnel, the parent company, subsidiaries and fellow subsidiaries.

Amounts recognised in the balance sheet in respect of related party transactions were as follows:

	2014	2013
	£	£
Investment in subsidiary	99,580	99,580
Cash at fellow subsidiary undertaking	19,267	19,267
Loan to parent undertaking	1,098,882	1,098,882

The cash held at fellow subsidiary undertaking and the loan to parent undertaking are non-interest bearing. The loan is repayable on demand.

There were no loans made to Directors during the year (2013: none) and no balances outstanding at year-end (2013: £nil). The directors did not receive any remuneration in respect of their services to the company. There were no employees of the Company during the year (2013: none).

10. Parent Undertaking and Ultimate Holding Company

The largest group in which the results of the Company are consolidated is that headed by Rothschild Concordia SAS, incorporated in France. The smallest group in which they are consolidated is that headed by Paris Orléans SCA, a French public limited partnership.

The Company's immediate parent company is Rothschilds Continuation Limited.

The Company's registered office is located at New Court, St. Swithin's Lane, London EC4N 8AL.