

PORTLAND ENTERPRISES LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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PORTLAND ENTERPRISES LIMITED

ANNUAL REPORT

For the year ended 31 December 2014

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PORTLAND ENTERPRISES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr P Dunthorne (resigned 13 August 2014)
Mr M Lee (resigned 13 August 2014)
Mr C Ratcliff
Mr R Sanderson (appointed 13 August 2014)

SECRETARY

Mr M Lee (resigned 13 August 2014)
Mr C Ratcliff (appointed 13 August 2014)

COMPANY NUMBER

2729729 (England)

AUDITORS

KPMG LLP
15 Canada Square
London, E14 5GL
United Kingdom

BANKERS

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

REGISTERED OFFICE

The Northern & Shell Tower
4 Selsdon Way
London, E14 9GL
United Kingdom

PORTLAND ENTERPRISES LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2014

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2014

PRINCIPAL ACTIVITIES

The principal activities of the Company are unchanged from last year, and are a provider of transmission services, supplying production and transmission services to other group companies and third parties. The Company also provides web and administration support to other group companies.

RESULTS AND DIVIDENDS

The Company recorded a profit on ordinary activities before taxation of £926,000 (2013 £793,000)

The directors do not recommend the payment of a dividend (2013 £nil)

REVIEW OF THE YEAR AND FUTURE PROSPECTS

The profit and loss account is set out on page 9

The directors consider the underlying performance of the Company to be satisfactory. It is the intention of the Company to continue trading in its principal activity for the foreseeable future.

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 operational parent of the Company.

The Company's net assets were £13.5 million as at 31 December 2014 (2013 £12.8 million)

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.

PORTLAND ENTERPRISES LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2014

EMPLOYEE INVOLVEMENT

During the year, the Company maintained its practice of keeping employees informed about current activities and progress of the business using various methods, including formal briefings and emails. Consultation with employees or their representatives has continued at all levels, with the aim of ensuring their views are taken into account where decisions are likely to affect their interests. This practice is reviewed regularly.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of financial risks that include credit, liquidity and interest rate risks. The Company has mechanisms in place that seek to limit the impact of the adverse effects of these risks on the financial performance of the Company.

Credit risk

The Company has implemented policies that require appropriate credit checks to be performed on potential customers before sales are made.

Liquidity risk

The Company actively manages its finances to ensure that the Company has sufficient funds available for its operations.

Interest rate cash flow risk

The Company has interest bearing assets. The interest bearing assets are cash balances subject to floating interest rates. The directors keep these measures under constant review.

PORTLAND ENTERPRISES LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2014

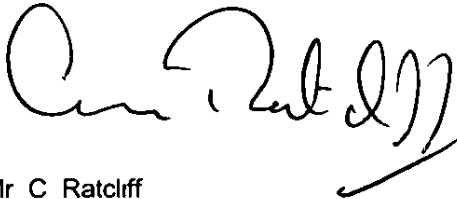
DISCLOSURE OF INFORMATION TO AUDITORS

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 read 'C Ratcliff', with a horizontal line underneath.

Mr C Ratcliff
Secretary

Date 23 April 2015

The Northern & Shell Tower
4 Selsdon Way
London, E14 9GL
United Kingdom

PORTLAND ENTERPRISES LIMITED

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

For the year ended 31 December 2014

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 a 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.



15 Canada Square
London, E14 5GL
United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

PORTLAND ENTERPRISES LIMITED

For the year ended 31 December 2014

We have audited the financial statements of Portland Enterprises Limited for the year ended 31 December 2014 set out on pages 9 to 18. 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 6, 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 FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on 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 December 2014 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.

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

PORTLAND ENTERPRISES LIMITED

For the year ended 31 December 2014

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
15 Canada Square
London, E14 5GL
United Kingdom

Date *24* April 2015

PORTLAND ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2014

	Notes	2014 £000	2013 £000
TURNOVER	2	1,589	1,651
Cost of sales		<u>(834)</u>	<u>(864)</u>
GROSS PROFIT		755	787
Administrative expenses		<u>(187)</u>	<u>(364)</u>
OPERATING PROFIT	3	568	423
Interest receivable and similar income	5	840	872
Interest payable and similar charges	6	<u>(482)</u>	<u>(502)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		926	793
Tax on profit on ordinary activities	7	<u>(200)</u>	<u>(222)</u>
PROFIT FOR THE FINANCIAL YEAR	14/15	<u>726</u>	<u>571</u>

There are no recognised gains and losses other than those stated above and therefore no separate statement of total recognised gains and losses has been presented

Turnover and operating profits are wholly attributable to continuing operations

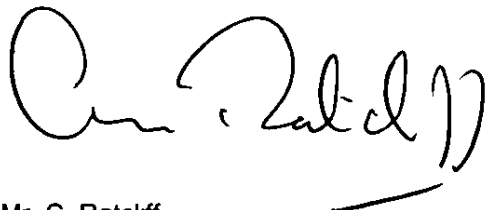
The notes on pages 11 to 18 form part of these financial statements

PORTLAND ENTERPRISES LIMITED

BALANCE SHEET as at 31 December 2014

	Notes	2014 £000	2013 £000
FIXED ASSETS			
Tangible assets	8	<u>115</u>	<u>98</u>
CURRENT ASSETS			
Debtors	9	30,934	36,720
Cash at bank and in hand		<u>1</u>	<u>5</u>
TOTAL CURRENT ASSETS		30,935	36,725
CREDITORS: amounts falling due within one year	10	<u>(17,557)</u>	<u>(24,056)</u>
NET CURRENT ASSETS		<u>13,378</u>	<u>12,669</u>
NET ASSETS		<u>13,493</u>	<u>12,767</u>
CAPITAL AND RESERVES			
Called up share capital	13	-	-
Profit and loss account	14	<u>13,493</u>	<u>12,767</u>
TOTAL SHAREHOLDERS' FUNDS	15	<u>13,493</u>	<u>12,767</u>

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



Mr C Ratcliff
Director

Date 23 April 2015

Company registered number 2729729

PORTLAND ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2014

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 accounts.

(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) Revenue recognition

Turnover represents the amounts charged to group and non group companies for production, web, administration and transmission services. Turnover is recognised as the service is provided.

(e) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets represents their purchase cost together with any incidental costs of acquisition.

Depreciation is provided on all tangible fixed assets to write off the cost of each asset, less any estimated residual value, evenly over its expected useful life, as follows:

Fixtures, fittings and production equipment - 4 years or period of lease

The Company reviews its depreciation rates regularly to take account of technological changes, intensity of use over the life of the assets and market requirements.

(f) Fixed asset investments

Fixed asset investments are recorded at cost, adjusted for any permanent diminution in value. Any diminution is reflected in the profit and loss account when the diminution is identified.

The Company carries its investment in subsidiary undertakings at cost less any provision for permanent diminution in value. Any diminution in value is reflected in the profit and loss account when the diminution is identified.

PORTLAND ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2014

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(g) 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.

(h) Leases

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

(i) Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted. The recoverability of tax losses is assessed by reference to forecasts, which have been prepared and approved by the board.

Deferred tax assets and liabilities are not discounted and are calculated at the standard rate of corporation tax in the UK of 20% (2013: 20%).

(j) Pension costs

The Company contributes to a defined contribution scheme for its employees. Contributions are charged in the profit and loss account to reflect amounts paid/payable under the schemes.

2. TURNOVER

Turnover relates to the production facilities, web services, administration support and transmission services, predominantly to other group companies, arises solely in the United Kingdom and relates entirely to continuing activities.

PORTLAND ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2014

3. NOTES TO THE PROFIT AND LOSS ACCOUNT

	2014 £000	2013 £000
Profit on ordinary activities before tax is stated after charging:		
Audit services		
Fees payable to the Company's auditor for the audit of the Company	9	8
Loss on disposal of tangible fixed assets	3	-
Depreciation - owned assets	49	192
Operating lease rentals - land and buildings	<u>48</u>	<u>98</u>

Fees paid to the Company's auditors and its associates for services other than the statutory audit of the Company are not disclosed in Portland Enterprises Limited's accounts since the consolidated accounts of Portland Enterprises Limited's ultimate parent, Northern & Shell Media Group Limited, are required to disclose other services on a consolidated basis

4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

(a) Directors

During the year, directors' emoluments were borne by fellow group undertakings. The directors did not receive any fees or emoluments from the Company (2013: £nil) as their duties are incidental to their main duties to other subsidiary undertakings of Northern & Shell Media Group Limited.

(b) Staff costs (including directors)

	2014 £000	2013 £000
Wages and salaries	575	608
Social security costs	56	60
Pension costs	<u>15</u>	<u>13</u>
	<u>646</u>	<u>681</u>
	2014 Number	2013 Number
Average number of people employed by activity		
Production	6	6
Administration	<u>15</u>	<u>15</u>
	<u>21</u>	<u>21</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £000	2013 £000
Group interest receivable	<u>840</u>	<u>872</u>

PORTLAND ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2014

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £000	2013 £000
Group interest payable	<u>482</u>	<u>502</u>

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2014 £000	2013 £000
Current tax.		
UK corporation tax at 21 5% (2013 23 25%) - amounts payable to group companies in respect of group relief	210	230
Adjustment in respect of previous periods	<u>-</u>	<u>(1)</u>
Total current tax charge	<u>210</u>	<u>229</u>
Deferred tax:		
Origination and reversal of timing differences	(10)	(9)
Adjustment in respect of previous periods	<u>-</u>	<u>2</u>
Total deferred tax credit (note 12)	<u>(10)</u>	<u>(7)</u>
Tax charge on profit on ordinary activities	<u>200</u>	<u>222</u>

The tax assessed for the year may differ from the rate of 21 5% (2013 23 25%) and the differences are explained below

	2014 £000	2013 £000
Profit on ordinary activities before tax	<u>926</u>	<u>793</u>
Profit on ordinary activities multiplied by the rate of 21 5% (2013 23 25%)	199	184
Effects of		
Expenses not deductible for tax purposes	-	1
Accelerated capital allowances/other timing differences	11	45
Adjustment in respect of previous periods	<u>-</u>	<u>(1)</u>
Current tax charge for the year	<u>210</u>	<u>229</u>

On 21 March 2012, the Chancellor announced a reduction in the main rate of UK corporation tax from 24% to 23% with effect from 1 April 2013. On 2 July 2013, further reductions in the UK corporation tax rate from 23% to 21%, with effect from 1 April 2014 and then from 21% to 20%, with effect from 1 April 2015, were substantively enacted.

The deferred tax balance at 31 December 2014 has been calculated based on the rates of 21% and 20% and the effect of these rate reductions as at 31 December 2014 has been included in the figures above.

PORTLAND ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2014

8 TANGIBLE ASSETS

	Fixtures, Fittings and Production Equipment £000
Cost	
At 1 January 2014	1,503
Additions	69
Disposals	<u>(316)</u>
At 31 December 2014	<u>1,256</u>
Depreciation	
At 1 January 2014	1,405
Depreciation in the year	49
Depreciation on disposal	<u>(313)</u>
At 31 December 2014	<u>1,141</u>
Net book amounts	
At 31 December 2014	<u>115</u>
At 31 December 2013	<u>98</u>

9. DEBTORS

	2014 £000	2013 £000
Amounts owed by group undertakings	30,678	36,471
Trade debtors	-	3
Prepayments and accrued income	14	14
Deferred tax asset (note 12)	<u>242</u>	<u>232</u>
	<u>30,934</u>	<u>36,720</u>

Amounts owed by group undertakings carry interest of 2.0% above base rate, are unsecured and payable on demand

PORTLAND ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2014

10. CREDITORS amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to group undertakings	15,842	22,403
Other creditors	23	165
Amounts owed to group undertakings with respect to group relief	1,672	1,462
Accruals and deferred income	20	26
	<u>17,557</u>	<u>24,056</u>

Amounts owed by group undertakings carry interest of 2.0% above base rate, are unsecured and payable on demand. Amounts owed by group undertakings with respect to group relief are non interest bearing.

11 OPERATING LEASE COMMITMENTS

At 31 December 2014, the Company was committed to make the following annual payments in respect of operating leases which expire

	2014 Land & buildings £000	2013 Land & buildings £000
After 5 years	<u>57</u>	<u>267</u>

Leases of land and buildings are subject to rent reviews

12. DEFERRED TAX ASSET

	£000
At 1 January 2014	232
Credited to profit and loss account (note 7)	<u>10</u>
At 31 December 2014	<u>242</u>

Analysed as

	2014 £000	2013 £000
Accelerated capital allowances	<u>242</u>	<u>232</u>

PORTLAND ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2014

13 CALLED UP SHARE CAPITAL

	2014 £	2013 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
10 Ordinary shares of £1 each	<u>10</u>	<u>10</u>

14 RESERVES

	Profit and loss account £000
At 1 January 2014	12,767
Profit for the year	<u>726</u>
At 31 December 2014	<u>13,493</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £000	2013 £000
Profit for the year	<u>726</u>	<u>571</u>
Increase in shareholders' funds	726	571
Opening shareholders' funds	<u>12,767</u>	<u>12,196</u>
Closing shareholders' funds	<u>13,493</u>	<u>12,767</u>

16. GUARANTEES AND CONTINGENT LIABILITIES

The Company is part of the Northern & Shell Media Group Limited group. At 31 December 2014, 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.

17 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.

PORTLAND ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

18. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Portland UK Holdings 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 group into which these accounts are consolidated is Northern & Shell Media Group Limited. Northern & Shell Media Group Limited is registered in England. The consolidated 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.