

**PORTLAND ENTERPRISES LIMITED**  
**REPORT & FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

FRIDAY



\*A3NS9056\*

A09

30/05/2008

173

COMPANIES HOUSE

**PORTLAND ENTERPRISES LIMITED**

**ANNUAL REPORT**

**31 December 2007**

**CONTENTS**

	<b>Page</b>
Officers and Professional Advisers	2
Directors' Report	3 - 5
Independent Auditors' Report to the Members of Portland Enterprises Limited	6
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9 - 16

**PORTLAND ENTERPRISES LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Dr P Ashford (Resigned 6 July 2007)  
Mr M S Ellice (Resigned 6 July 2007)  
Mr S Myerson (Resigned 6 July 2007)  
Mr P Dunthorne  
Mr O Bayoumi (Appointed 6 July 2007, Resigned 21 September 2007)  
Mr J Anthony (Appointed 6 July 2007)  
Mr M Lee (Appointed 21 September 2007)

**SECRETARY**

Mr R Sanderson (Resigned 21 September 2007)  
Mr M Lee (Appointed 21 September 2007)

**COMPANY NUMBER**

2729729 (England)

**AUDITORS**

KPMG LLP  
20 Farringdon Street  
London EC4A 4PP  
United Kingdom

**BANKERS**

Bank of Scotland  
155 Bishopsgate  
London EC2M 3YB

**REGISTERED OFFICE**

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

**PORTLAND ENTERPRISES LIMITED**

**DIRECTORS' REPORT**

**For the year ended 31 December 2007**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2007

**PRINCIPAL ACTIVITIES**

The principal activity of the Company is unchanged from last year, and is a production facility studio and provider of transmission services, supplying production and transmission services to other group companies

**RESULTS AND DIVIDENDS**

The Company recorded a profit on ordinary activities before taxation of £3 8 million (2006 profit £4 6 million)

During the year, interim dividends amounting to £8 9 million were paid (2006 £nil) and a final dividend of £0 5 million was declared (2006 nil)

**REVIEW OF THE PERIOD AND FUTURE PROSPECTS**

The profit and loss account is set out on page 7

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 "Review of the year and future prospects" section in the Directors' Report of Northern & Shell Network Limited, the ultimate operational parent of the Company.

The Company's net assets were £3 3 million as at 31 December 2007 (2006 £7 5 million)

**DIRECTORS AND THEIR INTERESTS**

The membership of the board during the year is set out on page 2. These directors, and no others, held office throughout the year.

At the beginning and end of the year, Mr R C Desmond was beneficially interested in the whole of the issued share capital of the Company. The interests of Mr R C Desmond, who is also a director of the ultimate operational parent company, Northern & Shell Network Limited, are shown in the financial statements of that company.

At the beginning and end of the year, the directors' beneficial interests in the issued ordinary 'B' share capital of Northern & Shell North America Limited, a fellow group undertaking, were

**£1 Ordinary 'B' shares**

	<b>At 1 January 2007</b>	<b>At 31 December 2007</b>
Dr P Ashford	75,000	-
Mr M S Ellice	75,000	-
Mr S Myerson	37,500	-

All the above directors who held shares in the Ordinary 'B' share capital of Northern & Shell North America Limited at the beginning of the year, resigned during the year.

At the beginning and end of the year the directors' beneficial interests in the issued ordinary 'B' share capital of Portland Interactive Limited, a fellow group undertaking, were

**£1 Ordinary 'B' shares**

	<b>At 1 January 2007</b>	<b>At 31 December 2007</b>
Mr J Anthony	-	1
Mr P Dunthorne	-	1

None of the other directors had any interest in the share capital of the Company or any other company within the Northern & Shell Network Limited group at the beginning or end of the year.

## **PORTLAND ENTERPRISES LIMITED**

### **DIRECTORS' REPORT**

**For the year ended 31 December 2007**

#### **POLICY ON PAYMENT OF CREDITORS**

The Company agrees terms and conditions for transactions individually with its suppliers. Payment is made on these terms, subject to the terms and conditions being met by the supplier.

The Company has approximately 27 days purchases outstanding as at 31 December 2007 based on the average daily amount invoiced by suppliers during the year (2006: 12 days).

#### **EMPLOYEE INVOLVEMENT**

During the year, the Company maintained its practice of keeping employees informed about the current activities and progress of the business using the various methods including 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 within 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 risk. 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.

#### **POLITICAL AND CHARITABLE DONATIONS**

There were no charitable or political contributions made during the year (2006: £nil).

**PORTLAND ENTERPRISES LIMITED**

**DIRECTORS' REPORT**

**For the year ended 31 December 2007**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company Law requires the directors to prepare financial statements for each financial year which 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. The directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgments and estimates have been made in preparing the financial statements for the year ended 31 December 2007 and that applicable UK accounting standards have been followed.

The directors are responsible for keeping proper accounting records which 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 1985. 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.

**DISCLOSURE OF INFORMATION TO AUDITORS**

In Accordance with Section 234ZA of the Companies Act, in the case of each of the persons who are directors at the time when this report is approved, the following applies:

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

**AUDITORS**

During the year, the Company reviewed the position of its auditors and decided to put its audit out to competitive tender. As a result of the review, PricewaterhouseCoopers LLP resigned as auditors of the Company and on 18 December 2007, KPMG LLP were appointed as auditors of the Company. KPMG LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next annual general meeting.

Approved by the Board of Directors and signed on its behalf by



Mr M Lee  
Secretary

Date 24 April 2008

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

**PORTLAND ENTERPRISES LIMITED**

**For the year ended 31 December 2007**

We have audited the financial statements of Portland Enterprises Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members as a body in accordance with Section 235 of the Companies Act 1985. 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 auditors 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 audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

**KPMG LLP**

KPMG LLP  
Chartered Accountants  
Registered Auditor

Date 28 April 2008

**PORTLAND ENTERPRISES LIMITED**

**PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 2007**

	Notes	2007 £000	2006 £000
Turnover	2	7,444	7,633
Cost of sales		<u>(2,944)</u>	<u>(2,932)</u>
<b>Gross profit</b>		<u>4,500</u>	<u>4,701</u>
Administrative expenses		<u>(1,038)</u>	<u>(370)</u>
<b>Operating profit</b>	3	3,462	4,331
Interest receivable and similar income	5	481	890
Interest payable and similar charges	6	<u>(121)</u>	<u>(632)</u>
<b>Profit on ordinary activities before taxation</b>		3,822	4,589
Tax credit/(charge) on profit on ordinary activities	7	<u>1,396</u>	<u>(1,078)</u>
<b>Profit for the financial year</b>	15/16	<u>5,218</u>	<u>3,511</u>

There are no material differences between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

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 profit are wholly attributable to continuing operations

The notes on pages 9 to 16 form part of these financial statements



**PORTLAND ENTERPRISES LIMITED**

**BALANCE SHEET as at 31 December 2007**

	Notes	2007 £000	2006 £000
<b>FIXED ASSETS</b>			
Intangible assets	8	16	18
Tangible assets	9	626	774
Investments	10	-	-
		<u>642</u>	<u>792</u>
<b>CURRENT ASSETS</b>			
Debtors	11	<u>8,344</u>	<u>10,546</u>
<b>CREDITORS</b> amounts falling due within one year	12	<u>(5,646)</u>	<u>(3,826)</u>
<b>NET CURRENT ASSETS</b>		<u>2,698</u>	<u>6 720</u>
<b>NET ASSETS</b>		<u>3,340</u>	<u>7,512</u>
<b>EQUITY CAPITAL AND RESERVES</b>			
Called up share capital	14	-	-
Profit and loss account	15	<u>3,340</u>	<u>7,512</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	16	<u>3,340</u>	<u>7,512</u>

Approved by the Board of Directors and signed on its behalf by



Mr P Dunthorne

Date 24 April 2008

**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2007**

**1 PRINCIPAL ACCOUNTING POLICIES**

**( a ) Accounting convention**

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

**( b ) Consolidated financial statements and cash flow statement**

The Company is a wholly owned subsidiary of Northern & Shell Network Limited and is included in the consolidated financial statements of Northern & Shell Network Limited. Northern and Shell Network 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 FRS 1 from preparing its own cash flow statement.

However, the Company's cashflow will be consolidated in its immediate parent company, Portland UK Holdings Limited's group cashflow statement, required by a separate bank covenant entered into during the year.

**( c ) Revenue recognition**

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

**( d ) Intangible fixed assets**

Intangible fixed assets comprise the cost of registering trademarks. These are amortised over 20 years, which is considered to be the economic life of the trademarks.

**( 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.

**( 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**

Assets obtained under finance leases are capitalised and depreciated over the lesser of the period of the lease and the estimated useful life of the asset. Finance costs are charged to the profit and loss account and allocated to accounting periods during the lease term so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period. The Company's leases are now in the secondary rental period; therefore, there are no commitments reported in the financial statements.

**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2007**

**1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**(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.

The deferred tax assets and liabilities are not discounted and are calculated at the standard rate of corporation tax in the UK of 30%, for those timing differences reversing before 1 April 2008, and 28% for those reversing after 1 April 2008.

**(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 provision of studio, production facilities and transmission services, predominantly to other group companies arising solely in the United Kingdom and relates entirely to continuing activities.

**3 OPERATING PROFIT**

**2007  
£000**

**2006  
£000**

Operating profit is stated after charging

**Audit Services**

Fees payable to the Company's auditor for the audit of the Company

14

14

Fees paid to the Company's auditor, 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 operational parent, Northern & Shell Network Limited, are required to disclose other services on a consolidated basis. No remuneration was payable to the previous auditors in respect of 2007.

Depreciation - owned assets

327

326

Amortisation - intangible assets

2

1

**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2007**

**4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

Mr M S Ellice, Dr P Ashford and Mr S Myerson received no fees or emoluments from the Company during the year ended 31 December 2007 (2006 £nil) since their duties are incidental to their main duties to other subsidiary undertakings of Northern & Shell Network Limited. The emoluments of the remaining directors are summarised as follows:

<b>( a ) Directors</b>	<b>2007 £000</b>	<b>2006 £000</b>
Wages and Salaries	250	140
Pension costs	12	-
	<u>262</u>	<u>140</u>

<b>( b ) Staff costs (Including Directors)</b>	<b>2007 £000</b>	<b>2006 £000</b>
Wages and salaries	1,740	1,381
Social security costs	190	148
Pension costs	25	16
	<u>1,955</u>	<u>1,545</u>

<b>Average number of people employed</b>	<b>2007 Number</b>	<b>2006 Number</b>
Production	30	28
Administration	21	14
	<u>51</u>	<u>42</u>

<b>5 INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>2007 £000</b>	<b>2006 £000</b>
Group interest receivable	421	887
Bank interest	60	3
	<u>481</u>	<u>890</u>

<b>6 INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b>2007 £000</b>	<b>2006 £000</b>
Group interest payable	121	632

**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2007**

**7 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2007 £000</b>	<b>2006 £000</b>
<b>Current tax</b>		
UK corporation tax at 30% payable		
to group companies in respect of group relief (2006 30%)	-	1,391
Adjustment in respect of previous periods	<u>(1,386)</u>	<u>(302)</u>
<b>Total current tax (credit)/charge</b>	<u><b>(1,386)</b></u>	<u><b>1,089</b></u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(10)	(13)
Adjustment in respect of previous periods	<u>-</u>	<u>2</u>
<b>Total deferred tax credit</b>	<u><b>(10)</b></u>	<u><b>(11)</b></u>
<b>Tax (credit)/charge on profit on ordinary activities</b>	<u><b>(1 396)</b></u>	<u><b>1,078</b></u>

The tax assessed for the period differs from the standard rate of corporation tax in the UK 30% (2006 30%)

The differences are explained below

	<b>2007 £000</b>	<b>2006 £000</b>
<b>Profit on ordinary activities before tax</b>	<u><b>3,822</b></u>	<u><b>4,589</b></u>
<b>Profit on ordinary activities multiplied by standard rate</b>		
<b>in the UK of 30% (2006 30%)</b>	<b>1,147</b>	<b>1,377</b>
<b>Effects of</b>		
Expenses not deductible for tax purposes	1	1
Depreciation in excess of capital allowances and		
and other timing differences	18	13
Group relief (claimed)/surrendered	(1,166)	-
Adjustment to tax charge in respect of previous period	<u>(1,386)</u>	<u>(302)</u>
<b>Current tax (credit)/charge for the year</b>	<u><b>(1,386)</b></u>	<u><b>1,089</b></u>

The Company is not aware of any factors that will materially effect future tax charges

**PORTLAND ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2007**

**8 INTANGIBLE FIXED ASSETS**

	Trademarks £000
Cost	
At 1 January 2007 and 31 December 2007	32
Amortisation	
At 1 January 2007	14
Charge for the year	2
At 31 December 2007	16
Net book amounts	
At 31 December 2007	16
At 31 December 2006	18

**9 TANGIBLE FIXED ASSETS**

	Fixtures, fittings and production equipment £000
Cost	
At 1 January 2007	3,546
Additions	179
At 31 December 2007	3,725
Depreciation	
At 1 January 2007	2,772
Charge for the year	327
At 31 December 2007	3,099
Net book amounts	
At 31 December 2007	626
At 31 December 2006	774

**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2007**

**10 FIXED ASSET INVESTMENTS**

Investments comprise the cost of nominee shares in fellow subsidiaries

	<b>2007</b>
	<b>£</b>
Shares in group undertakings	
Cost at 1 January 2007	3
Disposals	<u>(2)</u>
Cost at 31 December 2007	<u>1</u>

**11 DEBTORS**

	<b>2007</b>	<b>2006</b>
	<b>£000</b>	<b>£000</b>
Amounts falling due within one year		
Amounts owed by group undertakings	6,809	9,020
Amounts owed by related party	-	1,454
Trade debtors	-	2
Other debtors	78	7
Amounts owed by group undertakings with respect to group relief	1,386	-
Prepayments and accrued income	18	20
Deferred tax asset (note 13)	<u>53</u>	<u>43</u>
	<u>8,344</u>	<u>10,546</u>

Amounts owed by group undertakings carry interest between 2.0% and 2.5% above base rate, are unsecured and repayable on demand. Amounts owed by group undertakings with respect to group relief are non interest bearing.

**12 CREDITORS amounts falling due within one year**

	<b>2007</b>	<b>2006</b>
	<b>£000</b>	<b>£000</b>
Bank loans	1	63
Trade creditors	130	58
Amounts owed to group undertakings	4,778	1,087
Dividends payable to parent company	500	-
Other creditors	94	49
Amounts owed to group undertakings with respect to group relief	-	2,496
Corporation tax payable	10	10
Accruals and deferred income	<u>133</u>	<u>63</u>
	<u>5,646</u>	<u>3,826</u>

Amounts owed to group undertakings carry interest between 2.0% and 2.5% above base rate, are unsecured and repayable on demand. Amounts owed to group undertakings with respect to group relief are non interest bearing.

**13 DEFERRED TAX ASSET**

Deferred tax comprises

	<b>2007</b>	<b>2006</b>
	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	<u>53</u>	<u>43</u>

**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2007**

**14 SHARE CAPITAL**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Ordinary shares of £1 each		
Authorised (1000 shares)	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid (10 shares)	<u>10</u>	<u>10</u>

**15 RESERVES**

	<b>Profit and loss account £000</b>
At 1 January 2007	7,512
Profit for the year	5,218
Dividends on shares classified in shareholders' funds	<u>(9,390)</u>
At 31 December 2007	<u>3,340</u>

**16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2007</b>	<b>2006</b>
	<b>£000</b>	<b>£000</b>
Profit for the year	5,218	3,511
Dividends payable	<u>(9,390)</u>	<u>-</u>
Net (reduction)/addition to shareholders' funds	(4,172)	3,511
Opening shareholders' funds	<u>7,512</u>	<u>4,001</u>
Closing shareholders' funds	<u>3 340</u>	<u>7,512</u>

**17 GUARANTEES AND CONTINGENT LIABILITIES**

During the year, the arrangements in place at 31 December 2006 securing bank loans advanced to fellow group undertakings were amended and accordingly the shares of the Company are no longer held as security for these bank loans. At 31 December 2007, the Company only guarantees a bank loan entered into during the year by its immediate parent company.

The Company is part of the Northern & Shell Network Limited group. At 31 December 2007, 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.

**18 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 Network Limited group.



**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2007**

**19 POST BALANCE SHEET EVENT**

On 15 January 2008 the Company entered into a long term lease for the occupation of the office premises for a duration of 15 years with an annual rental commitment of £267,133. The lease has rent reviews together with break options at 5 year intervals.

**20 ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking is Portland UK Holdings Limited and the ultimate parent undertaking is RCD1 Limited. RCD1 Limited acts purely as a holding company and does not participate in operations. Accordingly, Northern & Shell Network Limited acts as the ultimate operational parent of the group. The ultimate controlling party is Richard Desmond, the Chairman of Northern & Shell Network Limited.

The largest and smallest groups into which these accounts are consolidated are RCD1 Limited and Portland UK Holdings Limited respectively. RCD1 Limited, Northern & Shell Network Limited and Portland UK Holdings Limited are registered in England.

Copies of the financial statements of RCD1 Limited and Northern & Shell Network Limited can be obtained from The Northern & Shell Building, Number 10 Lower Thames Street, London, EC3R 6EN.

Copies of the financial statements of Portland UK Holdings Limited can be obtained from The Northern & Shell Tower, 4 Selsdon Way, London E14 9GL.