

**PORTLAND ENTERPRISES LIMITED**  
**REPORT & FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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**PORTLAND ENTERPRISES LIMITED**

**ANNUAL REPORT**

**31 December 2008**

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**PORTLAND ENTERPRISES LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mr. P. Dunthorne  
Mr. J. Anthony (Resigned: 3 July 2008)  
Mr. M. Lee

**SECRETARY**

Mr. M. Lee

**COMPANY NUMBER**

2729729 (England)

**AUDITORS**

KPMG LLP  
20 Farringdon Street  
London, EC4A 4PP

**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 2008**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2008.

#### **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 and third parties. In 2008 the company also provided web and administration support to other group companies.

#### **RESULTS AND DIVIDENDS**

The Company recorded a profit on ordinary activities before taxation of £3.7 million (2007 profit: £3.8 million).

During the year, interim dividends amounting to £4.0 million were paid (2007: £8.9 million) and no final dividend was declared (2007: £0.5 million).

#### **REVIEW OF THE PERIOD AND FUTURE PROSPECTS**

The profit and loss account is set out on page 6.

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 £1.7 million as at 31 December 2008 (2007: £3.3 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.

#### **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 22 days purchases outstanding as at 31 December 2008 based on the average daily amount invoiced by suppliers during the year (2007: 27 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.

**PORTLAND ENTERPRISES LIMITED**

**DIRECTORS' REPORT**

**For the year ended 31 December 2008**

**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 (2007: £nil).

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company Law requires the directors to prepare the Directors' Report and the 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 2008 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**

The auditors, 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: 27/4/09

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

**PORTLAND ENTERPRISES LIMITED**

**For the year ended 31 December 2008**

We have audited the financial statements of Portland Enterprises Limited for the year ended 31 December 2008, 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 4.

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 2008 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: *27 April 2009*

**PORTLAND ENTERPRISES LIMITED**

**PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 2008**

	Notes	2008 £000	2007 £000
Turnover	2	8,191	7,444
Cost of sales		<u>(3,690)</u>	<u>(2,944)</u>
Gross profit		4,501	4,500
Administrative expenses		<u>(1,031)</u>	<u>(1,038)</u>
Operating profit	3	3,470	3,462
Interest receivable and similar income	5	424	481
Interest payable and similar charges	6	<u>(236)</u>	<u>(121)</u>
Profit on ordinary activities before taxation		3,658	3,822
Tax (charges)/credit on profit on ordinary activities	7	<u>(1,291)</u>	<u>1,396</u>
Profit for the financial year	16/17	<u>2,367</u>	<u>5,218</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 8 to 15 form part of these financial statements.

**PORTLAND ENTERPRISES LIMITED**

**BALANCE SHEET as at 31 December 2008**

	Notes	2008 £000	2007 £000
<b>FIXED ASSETS</b>			
Intangible assets	8	8	16
Tangible assets	9	470	626
Investments	10	-	-
		<u>478</u>	<u>642</u>
<b>CURRENT ASSETS</b>			
Cash		13	
Debtors	11	<u>5,334</u>	<u>8,344</u>
<b>TOTAL CURRENT ASSETS</b>		<u>5,347</u>	<u>8,344</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(4,118)</u>	<u>(5,646)</u>
<b>NET CURRENT ASSETS</b>		<u>1,229</u>	<u>2,698</u>
<b>NET ASSETS</b>		<u>1,707</u>	<u>3,340</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	-	-
Profit and loss account	16	<u>1,707</u>	<u>3,340</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	17	<u>1,707</u>	<u>3,340</u>

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

Mr. P. Dunthorne

Date:

23/4/09



**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2008**

**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 & 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 FRS1 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.

**( c ) Revenue recognition**

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

**( d ) Intangible fixed assets**

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

**( 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
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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 are 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.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease.

**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2008**

**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 28%.

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

**3. OPERATING PROFIT**

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>

Operating profit is stated after charging:

**Audit Services**

Fees payable to the Company's auditor for the audit of the Company	21	14
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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.

Depreciation - owned assets	413	327
Amortisation - intangible assets	-	2
Operating lease rentals - land and buildings	<u>219</u>	<u>-</u>

**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2008**

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The emoluments of the directors are summarised as follows:

<b>( a ) Directors</b>	<b>2008 £000</b>	<b>2007 £000</b>
Wages and Salaries	314	250
Pension costs	17	12
	<u>331</u>	<u>262</u>

The above emoluments and pension contributions include the following in respect of the highest paid director, Mr. P. Dunthorne.

<b>Highest paid director:</b>	<b>2008 £000</b>	<b>2007 £000</b>
Wages and Salaries	189	170
Pension costs	9	9
	<u>198</u>	<u>179</u>

<b>( b ) Staff costs (Including Directors)</b>	<b>2008 £000</b>	<b>2007 £000</b>
Wages and salaries	1,970	1,740
Social security costs	211	190
Pension costs	33	25
	<u>2,214</u>	<u>1,955</u>

Average number of people employed :

	<b>2008 Number</b>	<b>2007 Number</b>
Production	30	30
Administration	27	21
	<u>57</u>	<u>51</u>

<b>5. INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>2008 £000</b>	<b>2007 £000</b>
Group interest receivable	413	421
Bank interest	11	60
	<u>424</u>	<u>481</u>

<b>6. INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b>2008 £000</b>	<b>2007 £000</b>
Group interest payable	<u>236</u>	<u>121</u>

**PORTLAND ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2008**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
<b>Current tax:</b>		
UK corporation tax payable to group companies in respect of group relief	1,165	-
Adjustment in respect of previous periods	249	(1,386)
	<u>1,414</u>	<u>(1,386)</u>
Total current tax charge/(credit)		
	<u>1,414</u>	<u>(1,386)</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(117)	(10)
Prior year adjustments	(6)	-
	<u>(123)</u>	<u>(10)</u>
Total deferred tax credit		
	<u>(123)</u>	<u>(10)</u>
Tax charge/(credit) on profit on ordinary activities	<u>1,291</u>	<u>(1,396)</u>

With effect from 1 April 2008, the standard rate of UK corporation tax reduced from 30% to 28%. In view of this reduction, where relevant, group relief surrendered/claimed is being accounted for at the rate of 28.5%.

The tax assessed for the year differs from the rate of 28.5% (2007: 30%) and the differences are explained below:

	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
Profit on ordinary activities before tax	3,658	3,822
Profit on ordinary activities multiplied by the rate of 28.5% (2007: 30%)	1,042	1,147
Effects of:		
Expenses not deductible for tax purposes	4	1
Depreciation in excess of capital allowances		
and other timing differences	119	18
Group relief claimed not paid	-	(1,166)
Adjustment to tax charge in respect of previous period	249	(1,386)
	<u>1,414</u>	<u>(1,386)</u>
Current tax charge/(credit) for the year		
	<u>1,414</u>	<u>(1,386)</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 2008**

**8. INTANGIBLE FIXED ASSETS**

	<b>Trademarks £000</b>	<b>Music Rights £000</b>	<b>Total £000</b>
Cost			
At 1 January 2008	32	-	32
Additions	-	8	8
Transferred to other group companies	<u>(32)</u>		<u>(32)</u>
At 31 December 2008	<u>-</u>	<u>8</u>	<u>8</u>
Amortisation			
At 1 January 2008	16	-	16
Charge for the year	-	-	-
Transferred to other group companies	<u>(16)</u>		<u>(16)</u>
At 31 December 2008	<u>-</u>	<u>-</u>	<u>-</u>
Net book amounts:			
At 31 December 2008	<u>-</u>	<u>8</u>	<u>8</u>
At 31 December 2007	<u>16</u>	<u>-</u>	<u>16</u>

Trademarks were transferred to Portland Titles Ltd and RHF Productions Ltd, fellow group companies.

**9. TANGIBLE FIXED ASSETS**

	<b>Fixtures, fittings and production equipment £000</b>
Cost	
At 1 January 2008	3,725
Additions	<u>257</u>
At 31 December 2008	<u>3,982</u>
Depreciation	
At 1 January 2008	3,099
Charge for the year	<u>413</u>
At 31 December 2008	<u>3,512</u>
Net book amounts:	
At 31 December 2008	<u>470</u>
At 31 December 2007	<u>626</u>

**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2008**

**10. FIXED ASSET INVESTMENTS**

Shares in  
subsidiaries  
undertaking  
£

At 1 January 2008 and 31 December 2008

1

The direct interest of Portland Enterprises Limited, and its percentage holding is :

	<b>Activities</b>	<b>Holding</b>
TVX Europe Limited	Television Broadcasting	1%

The above company's registered office is First Floor, Orviss House, Queen Street, St Helier, Jersey. JE2 4WD

**11. DEBTORS**

	<b>2008 £000</b>	<b>2007 £000</b>
Amounts owed by group undertakings	5,096	6,809
Trade debtors	1	-
Other debtors	26	78
Amounts owed by group undertakings with respect to group relief	-	1,386
Prepayments and accrued income	35	18
Deferred tax asset (note 14)	176	53
	<u>5,334</u>	<u>8,344</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>2008 £000</b>	<b>2007 £000</b>
Bank loans	-	1
Trade creditors	66	130
Amounts owed to group undertakings	3,781	4,778
Dividends payable to parent company	-	500
Other creditors	75	94
Corporation tax payable	10	10
Amounts owed to group undertakings with respect to group relief	27	-
Accruals and deferred income	159	133
	<u>4,118</u>	<u>5,646</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.

**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2008**

**13. OPERATING LEASE COMMITMENTS**

At 31 December 2008 the Company was committed to make the following payments in respect of operating leases:

	<b>2008 Land &amp; buildings £000</b>	<b>2007 Land &amp; buildings £000</b>
Within one year	273	-
Within two and five years	1,093	-
Over five years	<u>2,481</u>	<u>-</u>
	<u>3,847</u>	<u>-</u>

**14. DEFERRED TAX ASSET**

Deferred tax comprises:

	<b>2008 £000</b>	<b>2007 £000</b>
Accelerated capital allowances	<u>176</u>	<u>53</u>

**15. CALLED UP SHARE CAPITAL**

	<b>2008 £</b>	<b>2007 £</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>

**16. RESERVES**

	<b>Profit and loss account £000</b>
At 1 January 2008	3,340
Profit for the year	2,367
Dividends on shares classified in shareholders' funds	<u>(4,000)</u>
At 31 December 2008	<u>1,707</u>

**17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2008 £000</b>	<b>2007 £000</b>
Profit for the year	2,367	5,218
Dividends payable	<u>(4,000)</u>	<u>(9,390)</u>
Net reduction in shareholders' funds	(1,633)	(4,172)
Opening shareholders' funds	<u>3,340</u>	<u>7,512</u>
Closing shareholders' funds	<u>1,707</u>	<u>3,340</u>

**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2008**

**18. GUARANTEES AND CONTINGENT LIABILITIES**

As at 31 December 2008, the Company only guarantees a bank loan entered into during the year by its immediate parent company, Portland UK Holdings Limited. Other Portland UK Holdings Limited group companies and RHF Productions Limited also guarantee the bank loan. The loan outstanding at 31 December 2008 is £38.3 million (2007: £40 million).

The Company is part of the Northern & Shell Network Limited group. At 31 December 2008, 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.

**19. 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.

**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.