

**PORTLAND ENTERPRISES LIMITED**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013**



**PORTLAND ENTERPRISES LIMITED**

**ANNUAL REPORT**

**For the year ended 31 December 2013**

**CONTENTS**

	<b><u>Page</u></b>
Officers and Professional Advisers	2
Directors' Report	3 - 5
Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements	6
Independent Auditor's Report to the Members of Portland Enterprises Limited	7 - 8
Profit and Loss Account	9
Balance Sheet	10
Notes to the Financial Statements	11 - 19

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

**DIRECTORS**

Mr. P. Dunthorne  
Mr. M. Lee  
Mr C. Ratcliff (appointed 18 December 2013)

**SECRETARY**

Mr. M. Lee

**COMPANY NUMBER**

2729729 (England)

**AUDITORS**

KPMG LLP  
8 Salisbury Square  
London, EC4Y 8BB  
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 2013**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2013.

### **PRINCIPAL ACTIVITIES**

The principal activities of the Company are unchanged from last year, and are a production facility studio and 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 £793,000 (2012: £576,000).

The directors do not recommend the payment of a dividend (2012: £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 £12.8 million as at 31 December 2013 (2012 £12.2 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 2013**

#### **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 2013**

**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:



Mr. M. Lee  
Secretary

Date: 24 June 2014

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 2013**

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.



8 Salisbury Square  
London, EC4Y 8BB  
United Kingdom

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

### **PORTLAND ENTERPRISES LIMITED**

#### **For the year ended 31 December 2013**

We have audited the financial statements of Portland Enterprises Limited for the year ended 31 December 2013 set out on pages 9 to 19. 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 (APB'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](http://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 2013 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 2013**

**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  
KPMG LLP  
8 Salisbury Square  
London, EC4Y 8BB  
United Kingdom

Date: 24 June 2014

**PORTLAND ENTERPRISES LIMITED**

**PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 2013**

	Notes	2013 £000	2012 £000
<b>TURNOVER</b>	2	<b>1,651</b>	1,819
Cost of sales		<u>(864)</u>	<u>(1,018)</u>
<b>GROSS PROFIT</b>		<b>787</b>	801
Administrative expenses		<u>(364)</u>	<u>(379)</u>
<b>OPERATING PROFIT</b>	3	<b>423</b>	422
Interest receivable and similar income	5	<b>872</b>	766
Interest payable and similar charges	6	<u>(502)</u>	<u>(612)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>793</b>	576
Tax on profit on ordinary activities	7	<u>(222)</u>	<u>(162)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	15/16	<u><b>571</b></u>	<u>414</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.

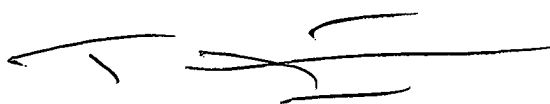
The notes on pages 11 to 19 form part of these financial statements.

**PORTLAND ENTERPRISES LIMITED**

**BALANCE SHEET as at 31 December 2013**

	Notes	2013 £000	2012 £000
<b>FIXED ASSETS</b>			
Tangible assets	8	98	389
Investments	9	-	-
		<u>98</u>	<u>389</u>
<b>CURRENT ASSETS</b>			
Debtors	10	36,720	34,081
Cash at bank and in hand		5	5
		<u>36,725</u>	<u>34,086</u>
<b>TOTAL CURRENT ASSETS</b>			
		36,725	34,086
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(24,056)</u>	<u>(22,279)</u>
<b>NET CURRENT ASSETS</b>		<u>12,669</u>	<u>11,807</u>
<b>NET ASSETS</b>		<u>12,767</u>	<u>12,196</u>
 <b>CAPITAL AND RESERVES</b>			
Called up share capital	14	-	-
Profit and loss account	15	12,767	12,196
		<u>12,767</u>	<u>12,196</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	16	<u>12,767</u>	<u>12,196</u>

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



Mr. P. Dunthorne  
Director

Date: 24 June 2014

Company registered number: 2729729

**PORTLAND ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2013**

**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 2013**

**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% (2012: 23%).

**(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.

**PORTLAND ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2013**

**3. NOTES TO THE PROFIT AND LOSS ACCOUNT**

	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
<b>Profit on ordinary activities before tax is stated after charging:</b>		
<b>Audit services</b>		
Fees payable to the Company's auditor for the audit of the Company	<u>8</u>	<u>8</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.		
Depreciation - owned assets	<b>192</b>	<b>225</b>
Operating lease rentals - land and buildings	<u>98</u>	<u>197</u>

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

**(a) Directors**

During the year, Directors' emoluments were borne by Northern & Shell Plc and Channel 5 Broadcasting Limited, fellow group undertakings. The directors do not receive any fees or emoluments from the Company as their duties are incidental to their main duties to other subsidiary undertakings of Northern & Shell Media Group Limited.

**(b) Staff costs (including directors)**

	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
Wages and salaries	<b>608</b>	<b>685</b>
Social security costs	<b>60</b>	<b>68</b>
Pension costs	<u>13</u>	<u>8</u>
	<u><b>681</b></u>	<u><b>761</b></u>
<b>Average number of people employed by activity:</b>	<b>2013</b> <b>Number</b>	<b>2012</b> <b>Number</b>
Production	<b>6</b>	<b>6</b>
Administration	<u><b>15</b></u>	<u><b>17</b></u>
	<u><b>21</b></u>	<u><b>23</b></u>

**PORTLAND ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2013**

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2013 £000</b>	<b>2012 £000</b>
Group interest receivable	<u>872</u>	<u>766</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2013 £000</b>	<b>2012 £000</b>
Group interest payable	502	409
Other interest payable	<u>-</u>	<u>203</u>
	<u>502</u>	<u>612</u>

**7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2013 £000</b>	<b>2012 £000</b>
<b>Current tax:</b>		
UK corporation tax at 23.25% (2012: 24.5%) - amounts payable to group companies in respect of group relief	230	201
Adjustment in respect of previous periods	<u>(1)</u>	<u>68</u>
Total current tax charge	<u>229</u>	<u>269</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(9)	(45)
Adjustment in respect of previous periods	<u>2</u>	<u>(62)</u>
Total deferred tax credit (note 13)	<u>(7)</u>	<u>(107)</u>
Tax charge on profit on ordinary activities	<u>222</u>	<u>162</u>

**PORTLAND ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2013**

**7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (Continued)**

The tax assessed for the year may differ from the rate of 23.25% (2012: 24.5%) and the differences are explained below:

	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
Profit on ordinary activities before tax	<u>793</u>	<u>576</u>
Profit on ordinary activities multiplied by the rate of 23.25% (2012: 24.5%)	<b>184</b>	141
Effects of:		
Expenses not deductible for tax purposes	<b>1</b>	2
Accelerated capital allowances/other timing differences	<b>45</b>	58
Adjustment in respect of previous periods	<u>(1)</u>	<u>68</u>
Current tax charge for the year	<u><b>229</b></u>	<u>269</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 2013 has been calculated based on the rates of 21% and 20% and the effect of these reductions as at 31 December 2013 has been included in the figures above.



**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2013**

**8. TANGIBLE ASSETS**

	<b>Fixtures, Fittings and Production Equipment £000</b>
Cost:	
At 1 January 2013	4,861
Additions	34
Transfer to group company / disposals	<u>(3,392)</u>
At 31 December 2013	<u>1,503</u>
Depreciation:	
At 1 January 2013	4,472
Depreciation in the year	192
Depreciation on transfer / disposal	<u>(3,259)</u>
At 31 December 2013	<u>1,405</u>
Net book amounts:	
<b>At 31 December 2013</b>	<b><u>98</u></b>
At 31 December 2012	<u>389</u>

During the year, tangible fixed assets with a net book value of £133,000 were transferred to Channel 5 Broadcasting Limited.

**9. FIXED ASSETS INVESTMENTS**

	<b>Shares in subsidiary undertaking £</b>
At 1 January 2013	1
Disposal	<u>(1)</u>
<b>At 31 December 2013</b>	<b><u>-</u></b>

During the year, as part of a group simplification TVX Europe Limited was liquidated. Accordingly, the Company disposed of its 1% holding of ordinary shares in the capital of TVX Europe Limited.

**PORTLAND ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2013**

**10. DEBTORS**

	<b>2013 £000</b>	<b>2012 £000</b>
Amounts owed by group undertakings	<b>36,471</b>	33,840
Trade debtors	<b>3</b>	3
Other debtors	-	3
Prepayments and accrued income	<b>14</b>	10
Deferred tax asset (note 13)	<b>232</b>	225
	<hr/>	<hr/>
	<b>36,720</b>	34,081

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

**11. CREDITORS: amounts falling due within one year**

	<b>2013 £000</b>	<b>2012 £000</b>
Amounts owed to group undertakings	<b>22,403</b>	19,254
Other creditors	<b>165</b>	26
Amounts owed to group undertakings with respect to group relief	<b>1,462</b>	2,971
Accruals and deferred income	<b>26</b>	28
	<hr/>	<hr/>
	<b>24,056</b>	22,279

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.

**12. OPERATING LEASE COMMITMENTS**

At 31 December 2013, the Company was committed to make the following annual payments in respect of operating leases which expire:

	<b>2013 Land &amp; buildings £000</b>	<b>2012 Land &amp; buildings £000</b>
After 5 years	<hr/> <b>267</b>	<hr/> <b>267</b>

Leases of land and buildings are subject to rent reviews.

**PORTLAND ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2013**

**13. DEFERRED TAX ASSET**

	<b>£000</b>
At 1 January 2013	225
Credited to profit and loss account (note 7)	<u>7</u>
<b>At 31 December 2013</b>	<b><u>232</u></b>

Analysed as:

	<b>2013 £000</b>	<b>2012 £000</b>
Accelerated capital allowances	<u>232</u>	<u>225</u>

**14. CALLED UP SHARE CAPITAL**

	<b>2013 £</b>	<b>2012 £</b>
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>

**15. RESERVES**

	<b>Profit and loss account £000</b>
At 1 January 2013	12,196
Profit for the year	<u>571</u>
<b>At 31 December 2013</b>	<b><u>12,767</u></b>

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

	<b>2013 £000</b>	<b>2012 £000</b>
Profit for the year	<u>571</u>	<u>414</u>
Increase in shareholders' funds	<u>571</u>	<u>414</u>
Opening shareholders' funds	<u>12,196</u>	<u>11,782</u>
Closing shareholders' funds	<u>12,767</u>	<u>12,196</u>

**PORTLAND ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2013**

**17. GUARANTEES AND CONTINGENT LIABILITIES**

The Company is part of the Northern & Shell Media Group Limited group. At 31 December 2013, 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 Media Group Limited group.

**19. 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.