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MAINSTREAM NETWORK LIMITED

REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

TUESDAY



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MAINSTREAM NETWORK LIMITED

ANNUAL REPORT

31 December 2009

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MAINSTREAM NETWORK LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Dr P Ashford
Mr M S Ellice
Mr R Sanderson

SECRETARY

Mr M Ellice

COMPANY NUMBER

2744573 (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

MAINSTREAM NETWORK LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2009

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2009

PRINCIPAL ACTIVITIES

The principal activity of the Company until December 2006 was the building of a customer management service centre to provide services to group companies and third parties. The Company did not trade in the year.

RESULTS AND DIVIDENDS

There was no loss or profit on ordinary activities before taxation (2008 £nil)

The directors do not recommend the payment of a dividend (2008 £nil)

REVIEW OF THE YEAR AND FUTURE PROSPECTS

There are no entries in the profit and loss account for 2009 and 2008 and therefore only the balance sheet has been reported.

It is not anticipated that the Company will recommence trading.

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

The Company's net liabilities were £1,963,000 as at 31 December 2009 (2008 £1,963,000).

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.

GOING CONCERN

The company has net liabilities. A letter of support has been received from the ultimate operational parent company, Northern & Shell Network Limited, stating that this company will provide financial support as necessary to enable the Company to meet its obligations as and when they fall due. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

FINANCIAL RISK MANAGEMENT

The Company has not implemented specific measures to mitigate financial risks because the directors believe that the nature of the Company's operations are such that it is not exposed to financial risks that might impact adversely on the financial performance of the Company. The directors keep this position under constant review.

MAINSTREAM NETWORK LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2009

POLITICAL AND CHARITABLE DONATIONS

There were no charitable or political contributions made during the year (2008 £nil)

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

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with 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 apply them consistently,
- Make judgements 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 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

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

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



Mr M S Ellice
Secretary

Date 22 April 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MAINSTREAM NETWORK LIMITED

We have audited the financial statements of Mainstream Network Limited for the year ended 31 December 2009 set out on pages 6 to 9. 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 Directors' Responsibilities Statement set out on page 4, 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 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 APB's web site at www.frc.org/apb/scope/UKNP.

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 2009 and of its results 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.

MATTER 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.

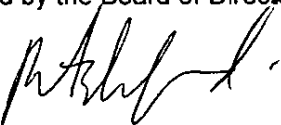
Adrian John Wilcox (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
20 Farringdon Street
London, EC4A 4PP

Date 23 April 2010

MAINSTREAM NETWORK LIMITED
BALANCE SHEET as at 31 December 2009

	Notes	2009 £000	2008 £000
CURRENT ASSETS			
Debtors	4	61	61
CREDITORS: amounts falling due within one year	5	<u>(2,024)</u>	<u>(2,024)</u>
NET CURRENT LIABILITIES		<u>(1,963)</u>	<u>(1,963)</u>
CAPITAL AND RESERVES			
Called up share capital	7	-	-
Profit and loss account	8	<u>(1,963)</u>	<u>(1,963)</u>
TOTAL SHAREHOLDERS' DEFICIT	9	<u>(1,963)</u>	<u>(1,963)</u>

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



Dr P Ashford
Director

Date 22 April 2010

Company registered number 2744573

MAINSTREAM NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

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) 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.

(c) Going concern

The Company has net liabilities. A letter of support has been received from the ultimate parent company, Northern & Shell Network Limited, stating that this company will provide financial support as necessary to enable the Company to meet its obligations as and when they fall due. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

(d) 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.

2. OPERATING RESULTS

Audit Services

Auditors' remuneration of £1,500 (2008: £1,500) in respect of the audit of these financial statements is borne by Northern & Shell Plc, a fellow group company.

Fees paid to the Company's auditor, and its associates for services other than the statutory audit of the Company are not disclosed in Mainstream Network's accounts since the consolidated accounts of Mainstream Network Limited's ultimate operational parent, Northern & Shell Network Limited, are required to disclose other services on a consolidated basis.

Termination of Business

The directors made the decision in December 2006 to terminate all developments and operations in respect of the customer management service centre. All costs in relation to the customer management service centre have been recognised in 2006 and 2007.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments are borne by Northern & Shell plc, a fellow group company. 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 Network Limited.

There are no other employee costs as the Company has no employees.

MAINSTREAM NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

4. DEBTORS

**2009
£000**

**2008
£000**

Amounts owed by group undertakings

61

61

Amounts owed by group undertakings are non interest bearing, unsecured and repayable on demand

5 CREDITORS: amounts falling due within one year

**2009
£000**

**2008
£000**

Amounts owed to group undertakings

2,024

1,961

Other creditors (note 6)

-

49

Accruals and deferred income

-

14

2,024

2,024

Amounts owed to group undertakings are non interest bearing, unsecured and repayable on demand

6. OTHER CREDITORS

**2009
£000**

**2008
£000**

Financial commitments due to finance lease terminated in 2006

Within one year

-

49

7 CALLED UP SHARE CAPITAL

**2009
£**

**2008
£**

Authorised

1,000 Ordinary shares of £1 each

1,000

1,000

Allotted and fully paid

2 Ordinary shares of £1 each

2

2

MAINSTREAM NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

8 RESERVES

	Profit and loss account £000
At 1 January 2009 and 31 December 2009	<u>(1,963)</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2009 £000	2008 £000
Opening and closing shareholders' deficit	<u>(1,963)</u>	<u>(1,963)</u>

10. GUARANTEES AND CONTINGENT LIABILITIES

The Company is part of the Northern & Shell Network Limited group. At 31 December 2009, 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.

11 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.

12. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Portland Media Group 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 Northern & Shell Network Limited respectively. RCD1 Limited, Northern & Shell Network Limited and Northern & Shell Media 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.