

PORTLAND INTERACTIVE LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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PORTLAND INTERACTIVE LIMITED

ANNUAL REPORT

For the year ended 31 December 2015

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PORTLAND INTERACTIVE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr. C. Ratcliff
Mr. R. Sanderson (resigned 1 April 2016)
Mr. A. Taylor (appointed 1 April 2016)
Mrs. A. Kieran (appointed 1 April 2016)

SECRETARY

Mr. C. Ratcliff

COMPANY NUMBER

4594661 (England)

AUDITOR

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

BANKERS

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

REGISTERED OFFICE

Cotswold House
219 Marsh Wall
London, E14 9JF
United Kingdom

PORTLAND INTERACTIVE LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2015

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2015.

In preparing this financial report, the directors have taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 Regulations 2013, SI 2013 No. 1970.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to engage in new ventures related to television broadcasting and gaming websites. The Company did not trade during the year or the comparative period.

RESULTS AND DIVIDENDS

The Company recorded a loss before taxation of £35,000 (2014: £34,000).

The directors do not recommend the payment of dividend (2014: £nil).

REVIEW OF THE YEAR AND FUTURE PROSPECTS

The profit and loss account is set out on page 8.

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 parent of the Company.

The Company's net liabilities were £1.4 million as at 31 December 2015 (2014: £1.4 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.

GOING CONCERN

The Company has net current liabilities and net liabilities. A letter of support has been received from the ultimate parent company, Neon X 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.

POLITICAL AND CHARITABLE DONATIONS

There were no charitable donations made during the year (2014: £nil).

The Company made no political donations or incurred any political expenditure during the year (2014: £nil).

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.

PORTLAND INTERACTIVE LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2015

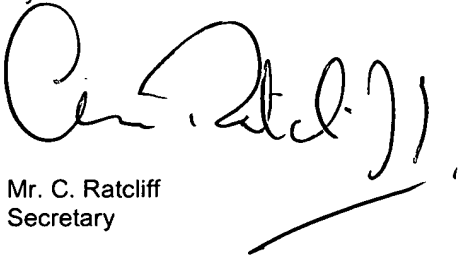
DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is 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 auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board:

A handwritten signature in black ink, appearing to read 'C. Ratcliff', with a long horizontal stroke extending to the right.

Mr. C. Ratcliff
Secretary

Date: 21 April 2016

Cotswold House
219 Marsh Wall
London, E14 9JF
United Kingdom

Company registered number: 4594661

PORTLAND INTERACTIVE LIMITED

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

For the year ended 31 December 2015

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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.



15 Canada Square
London, E14 5GL
United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

PORTLAND INTERACTIVE LIMITED

For the year ended 31 December 2015

We have audited the financial statements of Portland Interactive Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss 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.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

PORTLAND INTERACTIVE LIMITED

For the year ended 31 December 2015

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Adrian Wilcox (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL
United Kingdom

Date: 22 April 2016

PORTLAND INTERACTIVE LIMITED
PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2015

	Notes	2015 £000	2014 £000
Interest receivable and similar income	4	9	17
Interest payable and similar charges	5	<u>(44)</u>	<u>(51)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(35)	(34)
Tax on loss on ordinary activities	6	<u>7</u>	<u>7</u>
LOSS FOR THE FINANCIAL YEAR		<u>(28)</u>	<u>(27)</u>

There are no recognised gains and losses other than those stated above and therefore no separate statement of other comprehensive income has been prepared.

The loss on ordinary activities before taxation is attributable to discontinuing operations.

The notes on pages 11 to 15 form an integral part of these Financial Statements.


PORTLAND INTERACTIVE LIMITED

BALANCE SHEET as at 31 December 2015

	Notes	2015 £000	2014 £000
CURRENT ASSETS			
Debtors	7	<u>52</u>	<u>712</u>
TOTAL CURRENT ASSETS		52	712
CREDITORS: amounts falling due within one year	8	<u>(1,481)</u>	<u>(2,113)</u>
NET CURRENT LIABILITIES AND NET LIABILITIES		<u>(1,429)</u>	<u>(1,401)</u>
 CAPITAL AND RESERVES			
Called up share capital	9	-	-
Share premium account		30	30
Profit and loss account		<u>(1,459)</u>	<u>(1,431)</u>
TOTAL SHAREHOLDERS' DEFICIT		<u>(1,429)</u>	<u>(1,401)</u>

The notes on pages 11 to 15 form an integral part of these Financial Statements.

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



Mr. C. Ratcliff
Director

Date: 21 April 2016

Company registered number: 4594661

PORTLAND INTERACTIVE LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Called up Share capital £000	Share Premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2014	-	30	(1,404)	(1,374)
Effect of change in accounting policy	-	-	-	-
Balance at 1 January 2014	-	30	(1,404)	(1,374)
Total comprehensive income for the year:				
Loss for the year	-	-	(27)	(27)
Total comprehensive income for the year	-	-	(27)	(27)
Balance at 31 December 2014	-	30	(1,431)	(1,401)

	Called up Share capital £000	Share Premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2015	-	30	(1,431)	(1,401)
Total comprehensive income for the year:				
Loss for the year	-	-	(28)	(28)
Total comprehensive income for the year	-	-	(28)	(28)
Balance at 31 December 2015	-	30	(1,459)	(1,429)

The notes on pages 11 to 15 form an integral part of these Financial Statements.

PORTLAND INTERACTIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. PRINCIPAL ACCOUNTING POLICIES

These financial statements are prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014.

In the transition to FRS 102 from old UK GAAP, the Company has not made measurement and recognition adjustments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for derecognition of financial assets and liabilities before the date of transition, accounting estimates or discontinued operations.

(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 Company has net current liabilities and net liabilities. A letter of support has been received from the ultimate parent company, Neon X 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.

(c) Consolidated financial statements and cash flow statement

As at 31 December 2015, the Company was 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 available under FRS 102 from preparing its own cash flow statement.

(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.

(e) Borrowings

All borrowings are initially stated at the fair value of the consideration received after deduction of issue costs. Issue costs together with finance costs are charged to the profit and loss account over the term of the borrowings. Accrued finance costs attributable to borrowings where the maturity at the date of issue is less than one year are included within current liabilities. For all other borrowings, accrued finance charges and issue costs are included within Creditors due after more than one year.

PORTLAND INTERACTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(f) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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 enacted rate of corporation tax in the UK of 18% (2014: 20%).

2. NOTES TO THE PROFIT AND LOSS ACCOUNT

Audit Services

Auditors' remuneration of £3,000 (2014: £3,000) in respect of the audit of these financial statements is borne by Portland Enterprises Limited, a fellow group subsidiary.

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 Interactive Limited's accounts since the consolidated accounts of Portland Interactive Limited's ultimate parent, Northern & Shell Media Group Limited, are required to disclose other services on a consolidated basis.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

During the year, directors' emoluments were borne by fellow group undertakings. The directors did not receive any fees or emoluments from the Company (2014: £nil) as their duties are incidental to their main duties to other subsidiary undertakings of Northern & Shell Media Group Limited.

The Company had no employees in the year (2014: nil).

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £000	2014 £000
Group interest receivable	<u>9</u>	<u>17</u>

PORTLAND INTERACTIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £000	2014 £000
Group interest payable	<u>44</u>	<u>51</u>

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2015 £000	2014 £000
Current tax:		
UK corporation tax receivable from group companies in respect of group relief at 20.25% (2014: 21.5%)	<u>(7)</u>	<u>(7)</u>
Total tax (income)/expense	<u>(7)</u>	<u>(7)</u>

Analysis of total tax:

	Current Tax £000	2015 Deferred Tax £000	Total Tax £000	Current Tax £000	2014 Deferred Tax £000	Total Tax £000
Recognised in profit and loss account	<u>(7)</u>	-	<u>(7)</u>	<u>(7)</u>	-	<u>(7)</u>
Total tax income	<u>(7)</u>	-	<u>(7)</u>	<u>(7)</u>	-	<u>(7)</u>

The tax assessed for the year does not differ from the rate of 20.25% (2014: 21.5%), therefore no reconciliation was deemed necessary.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the Company's future current tax charge accordingly. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly.

PORTLAND INTERACTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

7. DEBTORS

	2015 £000	2014 £000
Amounts owed by group undertakings	45	710
Amounts owed by group undertakings with respect to group relief	<u>7</u>	<u>2</u>
	<u>52</u>	<u>712</u>

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

8. CREDITORS: amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	<u>1,481</u>	<u>2,113</u>

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

9. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Authorised:		
500 ordinary 'A' shares of £1 each	500	500
500 ordinary 'B' shares of £1 each	<u>500</u>	<u>500</u>
	<u>1,000</u>	<u>1,000</u>
 Allotted and fully paid		
2 ordinary 'A' shares of £1 each	2	2
4 ordinary 'B' shares of £1 each	<u>4</u>	<u>4</u>
	<u>6</u>	<u>6</u>

The 'A' Ordinary shareholders are entitled to 90% of the voting rights, 90% of the profits declared by the directors to be available for distribution and 90% of capital on winding up, regardless of the number of A Ordinary shares in issue.

The B Ordinary shareholders are entitled to 10% of the voting rights, 10% of the profits declared by the directors to be available for distribution and 10% of capital on winding up, regardless of the number of B Ordinary shares in issue and further, entitled to receive an annual dividend equal to 10% of pre tax profits determined by reference to audited annual accounts of the Company.

PORTLAND INTERACTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

10. GUARANTEES AND CONTINGENT LIABILITIES

As at 31 December 2015, the Company was part of the Northern & Shell Media Group Limited group. At 31 December 2015, 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 from disclosing related party transactions with entities that are part of the Northern & Shell Media Group Limited group.

12. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Portland UK Holdings Limited and the ultimate parent undertaking is Neon X Limited. The ultimate controlling party is Christopher Ratcliff, the owner and director of Neon X 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.