

**PORTLAND MEDIA GROUP UK LIMITED**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**PORTLAND MEDIA GROUP UK LIMITED**

**ANNUAL REPORT**

**For the year ended 31 December 2014**

**CONTENTS**

	<b><u>Page</u></b>
Officers and Professional Advisers	2
Directors' Report	3 - 4
Statement of Directors' Responsibilities in respect to the Directors' Report and Financial Statements	5
Independent Auditor's Report to the Members of Portland Media Group UK Limited	6 - 7
Profit and Loss Account	8
Balance Sheet	9
Notes to the Financial Statements	10 - 14

**PORTLAND MEDIA GROUP UK LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mr P Dunthorne (resigned 13 August 2014)  
Mr M Lee (resigned 13 August 2014)  
Mr R Sanderson  
Mr C Ratcliff (appointed 13 August 2014)

**SECRETARY**

Mr M Lee (resigned 13 August 2014)  
Mr C Ratcliff (appointed 13 August 2014)

**COMPANY NUMBER**

06296539 (England)

**AUDITORS**

KPMG LLP  
15 Canada Square  
London, E14 5GL  
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 MEDIA GROUP UK LIMITED**

**DIRECTORS' REPORT**

**For the year ended 31 December 2014**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2014

**PRINCIPAL ACTIVITIES**

The principal activity of the Company was the holding of shares in group companies

**RESULTS AND DIVIDENDS**

The Company recorded a profit on ordinary activities before taxation of £1.5 million (2013: £1.4 million)

The directors do not recommend the payment of a dividend (2013: £nil)

**REVIEW OF THE PERIOD AND FUTURE PROSPECTS**

The profit and loss account is set out on page 8

The directors consider the result for the year to be satisfactory. It is the intention of the Company to continue trading in its principal activity for the foreseeable future. During a year, the Company acquired the entire issued share capital of NS Jersey Finance Limited (note 7).

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 assets were £30.1 million as at 31 December 2014 (2013: £29.0 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.

**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 MEDIA GROUP UK LIMITED**

**DIRECTORS' REPORT**

**For the year ended 31 December 2014**

**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

A handwritten signature in black ink, appearing to read 'C Ratcliff', with a small horizontal line underneath.

Mr C Ratcliff  
Secretary

Date 23 April 2015

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

**PORTLAND MEDIA GROUP UK LIMITED**

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

**For the year ended 31 December 2014**

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.



15 Canada Square  
London, E14 5GL  
United Kingdom

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

**PORTLAND MEDIA GROUP UK LIMITED**

**For the year ended 31 December 2014**

We have audited the financial statements of Portland Media Group UK Limited for the year ended 31 December 2014 set out on pages 8 to 14. 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 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](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 2014 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 MEDIA GROUP UK LIMITED**

**For the year ended 31 December 2014**

**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 **24** April 2015



**PORTLAND MEDIA GROUP UK LIMITED**

**PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 2014**

	Notes	2014 £000	2013 £000
Interest receivable and similar charges	4	2,110	2,064
Interest payable and similar charges	5	<u>(654)</u>	<u>(633)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,456</b>	<b>1,431</b>
Tax on profit on ordinary activities	6	<u>(313)</u>	<u>(333)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	11/12	<b><u>1,143</u></b>	<b><u>1,098</u></b>

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

The profit on ordinary activities before taxation is wholly attributable to continuing operations

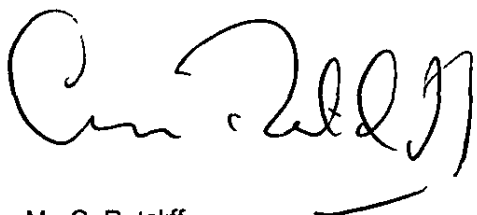
The notes on pages 10 to 14 form part of these financial statements

**PORTLAND MEDIA GROUP UK LIMITED**

**BALANCE SHEET as at 31 December 2014**

	Notes	2014 £000	2013 £000
<b>FIXED ASSETS</b>			
Investments	7	<u>26,333</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Debtors	8	33,491	57,714
<b>CREDITORS</b> amounts falling due within one year	9	<u>(29,704)</u>	<u>(28,737)</u>
<b>NET CURRENT ASSETS</b>		<u>3,787</u>	<u>28,977</u>
<b>NET ASSETS</b>		<u>30,120</u>	<u>28,977</u>
 <b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1	1
Share premium	11	56,691	56,691
Profit and loss account	11	<u>(26,572)</u>	<u>(27,715)</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	12	<u>30,120</u>	<u>28,977</u>

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



Mr C Ratcliff  
Director

Date 23 April 2015

Company registered number 06296539

**PORTLAND MEDIA GROUP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2014**

**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, and is therefore exempt from the obligation to prepare and deliver group accounts in accordance with Section 400 of the Companies Act 2006.

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 ) Fixed asset investments**

Fixed asset investments are recorded at cost and adjusted for any impairment in value.

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.

**( e ) 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.

**PORTLAND MEDIA GROUP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2014**

**2 NOTES TO PROFIT AND LOSS ACCOUNT**

**Audit Services**

Auditors' remuneration of £2,500 (2013 £2,000) in respect of the audit of these financial statements is borne by Portland Enterprises Limited, a subsidiary 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 Portland Media Group UK Limited's accounts since the consolidated accounts of Portland Media Group UK 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 (2013 £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 (2013 nil)

**4 INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2014 £000</b>	<b>2013 £000</b>
Group interest receivable	<u>2,110</u>	<u>2,064</u>

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2014 £000</b>	<b>2013 £000</b>
Group interest payable	<u>654</u>	<u>633</u>

**6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2014 £000</b>	<b>2013 £000</b>
<b>Current tax:</b>		
UK corporation tax payable to group companies in respect of group relief at 21.5% (2013 23.25%)	<u>313</u>	<u>333</u>
Tax charge on profit on ordinary activities	<u>313</u>	<u>333</u>

There is no difference in the tax assessed for the year from the rate of 21.5% (2013 23.25%) and therefore a reconciliation is deemed unnecessary

**PORTLAND MEDIA GROUP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2014**

**6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (continued)**

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.

**7. FIXED ASSET INVESTMENTS**

	<b>Shares in subsidiary undertakings £000</b>
Cost	
At 1 January 2014	-
Additions	26,333
At 31 December 2014	<u>26,333</u>

The direct subsidiaries of Portland Media Group UK Limited, and their percentage holdings are

<b>Company</b>	<b>Activities</b>	<b>Ordinary shares</b>
Portland International Sales Limited	Dormant Company	100%
Portland International Broadcasting Limited	Dormant Company	100%
NS Jersey Finance Limited	Holding Company	100%

The above companies are registered in England and the registered office is 4 Selsdon Way, London, E14 9GL, United Kingdom, with the exception of NS Jersey Finance Limited which is registered at The Northern & Shell Building, 10 Lower Thames Street, London, EC3R 6EN, United Kingdom.

During the year, as part of a group simplification 1 A ordinary share of £1 and 5 B ordinary shares of £1 each comprising the entire issued share capital of NS Jersey Finance Limited were transferred from Northern & Shell Broadcasting Limited, a fellow group undertaking, to the Company for a total consideration of £1. Subsequently, the Company subscribed for an additional 2 A ordinary shares of £1 each in the capital of NS Jersey Finance Limited for an aggregate subscription price of £26.3 million.

**PORTLAND MEDIA GROUP UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2014**

**8. DEBTORS**

	<b>2014 £000</b>	<b>2013 £000</b>
Amounts owed by group undertakings	<b>33,491</b>	54,714
Dividends receivable	<u>-</u>	<u>3,000</u>
	<b><u>33,491</u></b>	<b><u>57,714</u></b>

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

**9. CREDITORS amounts falling due within one year**

	<b>2014 £000</b>	<b>2013 £000</b>
Amounts owed to group undertakings	<b>26,824</b>	26,170
Amounts owed to group undertakings with respect to group relief	<u>2,880</u>	<u>2,567</u>
	<b><u>29,704</u></b>	<b><u>28,737</u></b>

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

**10 CALLED UP SHARE CAPITAL**

	<b>2014 £000</b>	<b>2013 £000</b>
Authorised		
15,000 Ordinary shares of £1 each	<u>15</u>	<u>15</u>
Allotted and fully paid		
1,107 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

**11. SHARE PREMIUM AND RESERVES**

	<b>Share premium account £000</b>	<b>Profit and loss account £000</b>
At 1 January 2014	<b>56,691</b>	(27,715)
Profit for the year	<u>-</u>	<u>1,143</u>
<b>At 31 December 2014</b>	<b><u>56,691</u></b>	<b><u>(26,572)</u></b>

**PORTLAND MEDIA GROUP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2014**

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

	<b>2014 £000</b>	<b>2013 £000</b>
Profit for the year	<u>1,143</u>	<u>1,098</u>
Increase in shareholders' funds	1,143	1,098
Opening shareholders' funds	<u>28,977</u>	<u>27,879</u>
Closing shareholders' funds	<u>30,120</u>	<u>28,977</u>

**13. GUARANTEES AND CONTINGENT LIABILITIES**

The Company is part of the Northern & Shell Media Group Limited group. At 31 December 2014, 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.

**14 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.

**15 ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking is Portland Media Group 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. Copies of the 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.