PORTA

Communications with impact

24 May 2016

Porta Communications Plc
("Porta" or "the Company" or "the Group")

Preliminary results for the year ended 31 December 2015

Financial Highlights

	Year to 31 Dec 2015 £	Year to 31 Dec 2014 £
Revenue	**34,093,005**	23,273,668
Gross profit	**26,948,905**	19,405,329
EBITDA	**1,071,612**	195,970
Headline EBITDA[1]	**2,606,859**	2,056,278
Headline EBITDA margin[2]	**9.7%**	10.6%
Headline profit before tax[3]	**829,291**	954,620

[1] Headline EBITDA excludes start-up losses, acquisition and restructuring costs, exceptional legal and professional costs, share based payments, gain on acquisition and non-recurring property costs. From 1 January 2015 management took a decision to no longer treat bad debt as an exceptional cost and therefore bad debt is ignored for the 2014 comparative period.

[2] Headline EBITDA margin is headline EBITDA as a percentage of gross profit

[3] Headline profit before tax is after adding back exceptional costs and amortisation of acquired intangibles

Highlights

- Gross profit (fee income) up 39%
- Organic growth in gross profit of 14% against a low single figure sector average
- Reported EBITDA after all costs up 447%
- Headline EBITDA 27% higher
- Number of clients up by 231 to 836 in the year
- Positive operating cash flow of £1.3m compared with negative £3.4m in 2014
- Renewed debt arrangements

Outlook

- Trading ahead of budget in first quarter of 2016
- Organic growth expected to comfortably outperform sector in 2016
- Exceptional costs expected to be significantly lower in the current year
- Further senior hires planned

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Commenting on the results, David Wright, Chief Executive of Porta, said:

"The strong momentum shown in the first half of 2015 continued throughout the year with gross profit (fee income) nearly 40 percent higher and organic growth at 14 percent - considerably higher than the sector average of low single figures. This strong trading performance together with a substantial reduction in exceptional costs has left reported EBITDA, after all costs, nearly 5.5 times higher than 2014. More importantly, operating cash flow was £1.3m, the first positive contribution since the formation of the Group, compared with a £3.4m negative figure in 2014.

"The current year has started well and the Group is running ahead of budget for the first quarter. New business throughout the whole of Newgate has been buoyant, although in the UK there has been some slowdown in project work ahead of the EU referendum.

"The Board remain confident that organic growth in fee income will remain strong, particularly as the planned recruitment of a number of high quality executives gains momentum, although these inevitably will have some impact on the bottom line in the short term."

-Ends-

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Notes to Editors:

Porta has two divisions:
- Communications - financial, corporate and consumer public relations, public affairs and research;
- Marketing & Advertising - multi-capability marketing, brand and creative communications.

The Group has offices in Aberdeen, Abu Dhabi, Beijing, Brisbane, Bristol, Canberra, Cardiff, Edinburgh, Hong Kong, London, Manchester, Melbourne, Singapore and Sydney.

The brands and companies it owns are: Newgate Communications, PPS Group, Redleaf Communications, Publicasity, 13 Communications, Newgate Sponsorship, 2112 Communications and Summit Marketing Services.

Porta Communications' corporate website is - www.portacomms.com

Chief Executive Report

The success of the Group's integrated multi-service multi-product communications offering on a global basis continues to drive the growth at Porta. All aspects of the Group covering financial, corporate, consumer public relations, public affairs and research together with the multi-media creative communications agency are increasingly pitching together with very encouraging results. This is reflected in the 39 percent growth in gross profit (fee income) to £26.9m but more importantly the organic growth of 14 percent (stripping out first time contributions from acquisition) was considerably higher than the low single figure average for the sector.

Reported EBITDA at nearly £1.1m after all costs is nearly five and a half times higher than the £196k of 2014 maintaining the outstanding trend seen over the last four years. Exceptional costs continue to reduce in the absence of any start-up costs, while the level of reorganisation costs reflecting the closure of unprofitable offices and teams, is expected to be much lower in the current year. Operating cash flow of £1.3m in the year was positive for the first time since the formation of Porta.

In just over four years we have built a very exciting integrated business platform that will fuel continued growth in the Group. Our reputation is growing in the market place to the extent that we are attracting some of the best talent in our industry which augurs well for the future.

Communications

In the UK the acquisition of PPS at the end of 2014 gave Newgate access to a network of regional offices in Aberdeen, Bristol, Cardiff, Edinburgh and Manchester. In addition the management team of the enlarged company took the opportunity to undertake a strategic review of its operations and decided to close its Brussels and Frankfurt offices as they lacked critical mass to make an impact in these markets and they had been loss making. As part of the strategic review, the growth company team was completely restructured and fully integrated. The benefits from these measures are now starting to flow through. Client wins towards the end of 2015 confirmed the success of this approach.

The integration of PPS into Newgate was successfully completed although it was decided that the PPS name should be maintained (at least for the medium term) given the strong brand value. Trading at PPS in its first full year was in-line with management expectations but more encouraging was the number of joint pitches undertaken with other parts of the Group.

Outside of the UK Newgate has been particularly strong with Australia, Hong Kong and Singapore all enjoying a strong trading performance throughout the year.

Newgate Australia, in its second full year, had another exceptional 12 months expanding staff levels by around 30 percent while organic growth in fee income was over 12 percent and an EBITDA margin of 24 percent Project highlights for the year included advising on the successful A$10.2bn long-term lease of power transmission operator Transgrid. The sale represented the largest government trade sale in Australian history. In addition Newgate Australia advised on the biggest infrastructure project in Australia, the Sydney Metro Project. The Group is now planning to double the size of its Australian operation.

Newgate Hong Kong, another start-up, also had a very strong year generating an EBITDA margin of 34 percent. The office was appointed to advise on a number of high profile contested situations including hedge fund Elliot's proxy battle with Samsung in South Korea.

Despite a difficult year for the South East Asia economy the Singapore office successfully built on the strong foundation of 2014, its first full year of operations. The corporate communications practice saw rapid growth driven by several large new clients in the financial services, professional services and real estate sectors. Capital markets remained weak throughout the year, although the investor relations business still showed growth.

Redleaf in its first full 12 months in the Porta stable reported a record year both in terms of fee income and profits. Strong growth was recorded across all of its three specialist teams, Capital Markets, Professional and Financial Services and Property. The success and quality of Redleaf was recognised with the agency winning Grant Thornton PR firm of the year and Best Adviser Financial PR in the KPMG UK Stock Market Awards.

In the current year Porta will be acquiring a further 15 percent of the Redleaf equity taking its stake up to 66 percent on terms outlined at the time of the acquisition in April 2014.

On the consumer PR side, Publicasity had a strong year under its new management team adding ten new brands to its client roster with an impressive conversion rate of 45 percent. The more noticeable wins included electronic cigarette brand Blu, the Caribbean tourist destination of St Lucia, and the German appliances manufacturer Bosch.

13 Communications increased fee income by over 50 percent, with a number of high profile new business wins but produced a loss on the year, albeit substantially down on the 2014 figure. Costs have now been brought in line with fees and the company is now trading profitably.

Marketing and Advertising

The multi-capability creative agency 2112 increased fee income by 27 percent in the year. BNY Mellon, the largest account in the agency, was developed further and now represents 30 percent of the agency's fee income. The relationship with Blind Veterans UK, the largest direct marketing client, has been particularly strong with the Christmas fundraising mailing achieving the best ever results in the charity's history. New business won included Henderson Global Investors, Pfizer and Towergate Insurance which are now making an impact in the current year.

Outlook

Although the current year has started well with growth ahead of budget in the first quarter a slowdown in project work in the UK ahead of the EU Referendum makes it difficult to predict the outcome for the next three or four months.

The Board remain confident that organic growth in fee income will remain strong, particularly as the planned recruitment of a number of high quality executives gains momentum, although these inevitably will have some impact on the bottom line in the short term.

Executive Summary

Headline EBITDA Reconciliation	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Operating loss	(1,646,793)	(1,252,534)[1]
Add back depreciation and amortisation	2,718,405	1,448,504
EBITDA from continuing operations	**1,071,612**	**195,970**
Start-up losses	-	613,326
Acquisition costs	36,948	271,947
Non-recurring property costs	86,207	323,536
Restructuring costs	756,240	189,500
Legal and professional consultancy costs	340,850	276,418
Share based payments	315,002	185,580
Total exceptional costs	**1,535,247**	**1,860,307**
Headline EBITDA[2]	**2,606,859**	**2,056,277[2]**

[1] Operating loss in 2014 excludes £475,394 gain on acquisition under IFRS 3 which has also been removed from the headline EBITDA adjustments for comparative purposes only.
[2] From 1 January 2015 management took a decision to no longer treat bad debt as an exceptional cost and therefore bad debt is ignored for the 2014 comparative period.

Headline profit before taxation

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
EBITDA from continuing operations	**1,071,612**	**195,970**[1]
Depreciation and amortisation	(2,718,405)	(1,448,504)
Finance income	27,267	1,261
Finance costs	(1,268,314)	(689,288)
Share of losses in associates	(25,304)	(7,287)
Reported loss before taxation	**(2,913,144)**	(1,947,848)[1]
Add back		
Amortisation of acquired intangibles (IFRS 3)	2,207,188	1,042,161
EBITDA exceptional costs	1,535,247	1,860,307
Headline profit before taxation	**829,291**	**954,620**

[1] Operating (loss)/profit and pre-tax profit in 2014 excludes £475,394 non-operating gain on acquisition under the IFRS 3 for comparative purposes only.

David Wright
Chief Executive Officer

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Chairman's Statement

Performance

I am pleased to report that 2015 was a hugely productive and progressive year for the Porta Group. Our financial results for the year clearly demonstrate the further progress that has been achieved.

Our strategy of developing operational and geographical diversity delivered high levels of organic growth combined with a positive cash performance. Two metrics stand out: gross profit up at almost 40 percent to £26.9m and reported EBITDA nearly 5.5 times higher than in the previous year.

In essence, this was an important, pivotal period in which we saw the benefits of more internal integration of the acquired businesses coupled with cost optimisation achieved through a detailed revision and re-evaluation of each operational unit. As a result, we saw a significant improvement in operating cash inflow at £1.3m compared with an outflow the previous year of £3.4m. A more detailed picture appears later in this report.

There is clear evidence that Porta can continue to sustain high levels of organic growth and maintain its positive cash performance. Since the company was established in 2011, organic growth has averaged 105 percent, despite some underperforming operations. In 2015, for example, the client base grew by 231 or approximately 38 percent to 836 - testimony to our "buy, build and grow strategy" and to the talent of our people.

The arrival of Steffan Williams, as Group Managing Director, and the appointment of Gavin Devine, as Chief Operating Officer, has increased the focus on organic growth from existing operations while freeing management resources elsewhere to focus on strategic expansion.

As I write this report, the forthcoming Brexit vote looms large and this has certainly meant some temporary slowdown in several industries we service in the UK economy. Nevertheless, the Board is confident that it has established a strong platform with an operational structure and international footprint across strongly performing markets and is well placed to take advantage of its unique positioning in marketing and communications services.

Board and Governance

Membership of the board has been refreshed and during the year Steffan Williams joined us as a Group Managing Director. Steffan brings substantial experience working within the field of strategic communications both in the UK and internationally. The Board continued to be active and efficient during the year, assessing the opportunities presented by management and assisting in the strategic direction of the Group and by referring new businesses to Porta companies. The overall contribution continues to be invaluable.

Annual General Meeting

The Company's Annual General Meeting will be held at 11:00am on 30 June 2016 and the Annual Report containing the Notice of the Annual General Meeting will be posted to shareholders shortly and will be available on our website thereafter.

Our people

Our people are our biggest asset. On behalf of the Board, I would like to thank all of our people for their loyalty, devotion, passion and the hard work over the past year.

I would also like to thank our shareholders for their continued support.

Bob Morton
Chairman

Renewed Debt Facilities and Related Party Transaction

As announced on 8 March 2013, the Company had entered into the discounted bond facility for £2 million with Hawk Investment Holdings Limited (“Hawk”), a company beneficially owned by Bob Morton (Non-Executive Chairman) and his wife. The bond had a redemption date of 26 February 2016 and the amount to be redeemed on that date was £2,862,000, including compound interest.

On 14 April 2016, the Company agreed the terms of a replacement secured discounted bond facility with Hawk (the “Bond”). The Bond has a redemption date of 14 April 2019 and the amount to be redeemed on that date will be £4,110,000, with an equivalent gross redemption yield of 12 per cent. per annum, and includes an arrangement fee of £28,600. At its request, Porta will be able to redeem the Bond early at a discount calculated on the date of redemption. As well as having the opportunity to repay the Bond at a discount, the Bond will help reduce the Company's monthly interest payments, as the redemption premium is only payable on the date of redemption. In the event that the Bond is not redeemed in full on or before the redemption date, interest shall accrue thereon at a rate of five per cent. above the base rate of National Westminster Bank plc for such time as it is inforce.

In addition, the Company entered into an additional secured loan agreement with Hawk on 14 April 2016 for a principal amount of £257,707.12 (the "Loan") and an arrangement fee of £2,577.07. The Loan replaced a previous short term loan which was due to mature in January 2016. Interest under the terms of the Loan will be charged at 12 per cent. per annum, with a repayment date on or before 13 April 2017. The interest and the arrangement fee are only payable at the date of redemption. The proceeds of the Loan are being used for working capital purposes.

The provisions of the Bond and the Loan, are classified as related party transactions under Rule 13 of the AIM Rules for Companies. The independent directors of Porta (being the Board of the Company with the exception of Bob Morton, who is excluded from such decisions being a related party in respect of the Bond and the Loan) consider, having consulted with the Company's nominated adviser, Allenby Capital Limited, that the terms of the Bond and the Loan are fair and reasonable insofar as the shareholders of Porta are concerned.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2015

	Notes	Year ended 31 December 2015	Year ended 31 December 2014
		£	**£**
Continuing operations			
Revenue	2	**34,093,005**	23,273,668
Cost of Sales		**(7,144,100)**	(3,868,339)
Gross profit		**26,948,905**	19,405,329
Operating and administrative expenses		**(28,595,698)**	(20,182,469)
Operating loss		**(1,646,793)**	(777,140)
Finance expense		**(1,268,314)**	(689,288)
Finance income		**27,267**	1,261
Share of loss in associates		**(25,304)**	(7,287)
Loss before taxation on continuing operations		**(2,913,144)**	(1,472,454)
Tax (charge)/credit	3	**(187,794)**	302,530
Loss for the period on continuing operations		**(3,100,938)**	(1,169,924)
Discontinued operations			
Loss for the period from discontinued operations (all attributable to the owners of the Company)	4	**(352,577)**	(2,480,674)
Loss for the period		**(3,453,515)**	(3,650,598)

Profit /(loss) for the period attributable to:			
Owners of the Company		**(4,356,112)**	(3,737,939)
Non-controlling interests		**902,597**	87,341
		(3,453,515)	(3,650,598)
Other comprehensive income from continuing operations			
Exchange differences arising on items that may be subsequently reclassified to profit or loss		**(34,610)**	(45,581)
Total other comprehensive income, net of tax		**(34,610)**	(45,581)
Total comprehensive income for the period		**(3,488,125)**	(3,696,179)

Total comprehensive income for the period attributable to:			
Owners of the Company		**(4,363,548)**	(3,767,767)
Non-controlling interests		**875,423**	71,588
		(3,488,125)	(3,696,179)

Loss per share – basic and diluted	8		
On continuing operations		**(1.5p)**	(0.6p)
On discontinued operations		**(0.1p)**	(1.1p)
On continuing and discontinued operations		**(1.6p)**	(1.7p)

Comparative amounts, including loss per share, have been restated to reflect classification of activities between continuing and discontinued operations.

Consolidated Statement of Financial Position

As at 31 December 2015

	Notes	**2015** £	2014 £
Non-current assets			
Intangible assets	9	**17,056,192**	18,582,868
Fixed assets	10	**1,181,803**	1,440,714
Deferred tax assets	3	**1,601,065**	1,449,871
Other non-current assets	11	**923,775**	923,775
Other investments		**9,500**	1,000
Investment in associates		**845,921**	119,435
Total non-current assets		**21,618,256**	22,517,663
Current assets			
Current assets in relation to discontinued activities	4	**-**	3,433,528
Work in progress		**924,662**	1,115,206
Trade and other receivables	11	**7,326,215**	7,760,659
Cash and cash equivalents		**1,787,184**	1,791,426
Total current assets		**10,038,061**	14,100,819
Current liabilities			
Current liabilities in relation to discontinued activities	4	**-**	(3,433,528)
Trade and other payables	12	**(8,116,383)**	(6,527,716)
Current tax liabilities	3	**(448,824)**	(665,338)
Loans and borrowings	14	**(4,956,269)**	(4,574,993)
Total current liabilities		**(13,521,476)**	(15,201,575)
Net current liabilities		**(3,483,415)**	(1,100,756)
Non-current liabilities			
Trade and other payables	12	**(462,487)**	-
Deferred tax liabilities	3	**(1,832,413)**	(2,318,616)
Fair value of contingent consideration	13	**(1,179,302)**	(981,379)
Loans and borrowings	14	**(3,041,803)**	(2,823,163)
Total non-current liabilities		**(6,516,005)**	(6,123,158)
Net assets		**11,618,836**	15,293,749
Equity			
Share capital		**28,380,791**	27,405,391
Share premium		**4,788,547**	4,788,547
Retained losses		**(22,822,085)**	(18,018,687)
Translation reserve		**(85,631)**	(78,195)
Other reserves		**(489,848)**	(978,075)
Total equity shareholders' funds		**9,771,774**	13,118,981
Equity non-controlling interests	7	**1,847,062**	2,174,768
Total equity		**11,618,836**	15,293,749

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	Notes	**2015** £	2014 £
Cash flow from operating activities			
Loss before taxation on continuing activities		**(2,913,144)**	(1,472,454)
Adjusted for:			
Loss before taxation from discontinued operations		**(352,577)**	(2,529,706)
Depreciation and amortisation	9,10	**2,718,405**	1,619,846
Gain on acquisition of subsidiary		**-**	(475,394)
Share of losses of associates		**25,304**	7,287
Tax paid		**(1,019,396)**	(219,353)
Finance income		**(27,267)**	(1,261)
Finance costs		**1,268,314**	712,897
Loss on disposal of property, plant and equipment	10	**1,713**	10,252
Non-cash rental income		**(105,000)**	-
Change in estimate of goodwill on prior year acquisition		**(88,684)**	-
Decrease/(increase) in work in progress		**142,835**	(699,368)
Increase in trade and other receivables		**(76,027)**	(1,139,675)
Increase/(decrease) in trade and other payables		**1,493,184**	(767,154)
Changes in working capital relating to discontinued operations		**-**	(235,414)
Net write-off of assets in discontinued operations	4	**-**	1,629,862
Equity settled share based payments		**315,002**	185,580
Unrealised foreign exchange gain		**(40,093)**	(23,430)
Net cash inflow/(outflow) from operating activities		**1,342,569**	(3,397,485)
Cash flows from investing activities			
Acquisition of intangible assets		**(188,141)**	(16,672)
Acquisition of property, plant and equipment		**(164,441)**	(627,165)
Dividends paid to non-controlling interests		**(728,226)**	(340,833)
Acquisition of subsidiaries, net of cash acquired		**49,102**	(3,117,205)
Interest received		**27,267**	1,261
Interest paid		**(12,583)**	(49,912)
Net investing cash flow from discontinued operations		**-**	(60,381)
Net cash outflow from investing activities		**(1,017,022)**	(4,210,907)
Cash flows from financing activities			
Proceeds from the issue of Ordinary shares (net of issue costs)		**-**	6,595,350
Proceeds from loans and borrowings		**1,711,561**	3,000,000
Repayment of loans and borrowings	14	**(1,896,861)**	(2,577,292)
Repayment of leases		**(134,498)**	(96,944)
Net financing cash flow from discontinued operations		**-**	(62,500)
Net cash (absorbed)/generated from financing activities		**(319,798)**	6,858,614
Net increase/(decrease) in cash and cash equivalents		**5,749**	(749,778)
Cash and cash equivalents at 1 January		**1,791,426**	2,544,802
Effect of exchange rate changes		**(9,991)**	(3,598)
Cash and cash equivalents at 31 December		**1,787,184**	1,791,426

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	Share capital	Share premium	Retained losses	Translation reserve	Other Reserves	Written put/call options over NCI	Total equity shareholders' funds	Non-controlling interests	Total equity
	£	£	£	£	£	£	£	£	£
Balance at 1 January 2015	**27,405,391**	**4,788,547**	**(18,018,687)**	**(78,195)**	**813,671**	**(1,791,746)**	**13,118,981**	**2,174,768**	**15,293,749**
Total comprehensive income									
Loss for the period	-	-	(4,356,112)	-	-	-	(4,356,112)	902,597	**(3,453,515)**
Other comprehensive income	-	-	-	(7,436)	-	-	(7,436)	(27,174)	**(34,610)**
Total comprehensive income	-	-	**(4,356,112)**	**(7,436)**	**-**	**-**	**(4,363,548)**	**875,423**	**(3,488,125)**
Transactions with owners of the Company									
Issue of Ordinary shares in relation to business combinations	975,400	-	-	-	-	-	975,400	-	**975,400**
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(728,226)	**(728,226)**
Share based payments	-	-	-	-	315,002	-	315,002	-	**315,002**
Equity component of convertible loan issued	-	-	-	-	173,225	-	173,225	-	**173,225**
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	-	-	53,211	**53,211**
Acquisition of non-controlling interest without a change in control	-	-	(668,727)	-	-	-	(668,727)	(306,673)	**(975,400)**
Adjustments in respect of prior year disposal of subsidiaries with non-controlling interest	-	-	221,441	-	-	-	221,441	(221,441)	**-**
Total transactions recognised directly in equity	**975,400**	**-**	**(447,286)**	**-**	**488,227**	**-**	**1,016,341**	**(1,203,129)**	**(186,788)**
Balance at 31 December 2015	**28,380,791**	**4,788,547**	**(22,822,085)**	**(85,631)**	**1,301,898**	**(1,791,746)**	**9,771,774**	**1,847,062**	**11,618,836**

	Share capital	Share premium	Retained losses	Translation reserve	Other Reserves	Written put/call options over NCI	Total equity shareholders' funds	Non-controlling interests	Total equity
	£	£	£	£	£	£	£	£	£
Balance at 1 January 2014	**16,860,101**	**3,117,545**	**(13,883,454)**	**(48,367)**	**(851,950)**	**-**	**5,193,875**	**1,129,894**	**6,323,769**
Total comprehensive income									
Loss for the period	-	-	(3,737,939)	-	-	-	(3,737,939)	87,341	**(3,650,598)**
Other comprehensive income	-	-	-	(29,828)	-	-	(29,828)	(15,753)	**(45,581)**
Total comprehensive income	**-**	**-**	**(3,737,939)**	**(29,828)**	**-**	**-**	**(3,767,767)**	**71,588**	**(3,696,179)**
Transactions with owners of the Company									
Issue of Ordinary shares	5,384,615	1,615,385	-	-	-	-	7,000,000	-	**7,000,000**
Issue of Ordinary shares in relation to business combinations	5,160,675	460,267	-	-	-	-	5,620,942	-	**5,620,942**
Issue costs	-	(404,650)	-	-	-	-	(404,650)	-	**(404,650)**
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(340,833)	**(340,833)**
Share based payments	-	-	-	-	185,580	-	185,580	-	**185,580**
Written put/call forward options over non-controlling interest	-	-	-	-	-	(1,791,746)	(1,791,746)	-	**(1,791,746)**
Equity component of the deferred consideration in business combinations	-	-	-	-	1,246,689	-	1,246,689	-	**1,246,689**
Equity component of convertible loan issued	-	-	-	-	233,352	-	233,352	-	**233,352**
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	-	-	1,772,825	**1,772,825**
Acquisition of non-controlling interest without a change in control	-	-	(100,000)	-	-	-	(100,000)	(756,000)	**(856,000)**
Disposal of subsidiary with non-controlling interest	-	-	(297,294)	-	-	-	(297,294)	297,294	**-**
Total transactions recognised directly in equity	**10,545,290**	**1,671,002**	**(397, 294)**	**-**	**1,665,621**	**(1,791,746)**	**11,692,873**	**973,286**	**12,666,159**
Balance at 31 December 2014	**27,405,391**	**4,788,547**	**(18,018,687)**	**(78,195)**	**813,671**	**(1,791,746)**	**13,118,981**	**2,174,768**	**15,293,749**

1. Accounting policies

The financial information set out in this announcement does not comprise the Group's statutory accounts as defined in section 434 of the Companies Act 2006 for the year ended 31 December 2015 or 31 December 2014. The financial information is for the year ended 31 December 2015 and the comparatives are for the year ended 31 December 2014.

The financial information for the year ended 31 December 2014 is derived from the statutory financial statements for that year which have been approved by the board of directors and delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

The financial information for the year ended 31 December 2015 is unaudited and has been prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union. Statutory audited financial statements for that year will be finalised on the basis of the financial information presented by the directors in this preliminary results announcement and will be delivered to the Registrar of Companies and filed at Companies House following the Company's forthcoming annual general meeting.

The Group's statutory accounts incorporate the financial statements of Porta Communications Plc and other entities controlled by the Company ("the subsidiaries"). In making the judgement if control is achieved, the Directors assess the Group's power over the investee; its exposure and rights to various returns from its involvement with the investee; and its ability to use the power over the investee to affect the amount of investor's return.
The principal accounting policies used in preparing the preliminary results announcement are those that the Company will apply in its financial statements for the year ended 31 December 2015, are unchanged from those disclosed in the Company's Annual Report and Financial Statements for the year ended 31 December 2014.
The financial information is presented in Pounds Sterling which is the Company's functional currency.

2. Segmental reporting

Business segments

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services and are managed separately because they require different resources and strategies. For each of the strategic divisions, the Group's Chief Executive Officer (the chief operating decision maker) reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Corporate Communications includes public relations, public affairs and other corporate communication services
- Marketing & Advertising includes media buying, creative advertising, marketing and corporate branding services
- Head office includes services provided by the Group's corporate function, including group treasury and finance and management services

Inter-segment pricing is determined on an arm's length basis. Segment results represent operating profit, which is the measure reported to the Chief Executive Officer. All assets and liabilities are allocated to reportable segments with the exception of tax and other centrally managed balances. Goodwill is allocated to segments.

31 December 2015 **£**	Communications	Marketing & Advertising	Head Office	Other/ Consol.	**Total**
External revenue	28,302,039	5,790,966	-	-	**34,093,005**
Inter-segment revenue	369,377	35,254	353,795	(758,426)	**-**
Reportable segment revenue	28,671,416	5,826,220	353,795	(758,426)	**34,093,005**
Gross profit	23,533,409	3,415,496	-	-	**26,948,905**
Depreciation and amortisation	(2,319,055)	(207,313)	(192,037)	-	**(2,718,405)**
Reportable segment result	969,953	(593,949)	(2,022,797)	-	**(1,646,793)**
Finance income	61,850	1,807	179,592	(215,982)	**27,267**
Finance expense	(143,692)	(62,520)	(1,278,084)	215,982	**(1,268,314)**
Taxation (expense)/credit	(273,171)	71,228	14,149	-	**(187,794)**
Reportable segment assets	26,017,446	3,614,480	10,920,734	(8,896,343)	**31,656,317**
Capital expenditure	140,746	8,613	44,742	-	**194,101**
Reportable segment liabilities	(9,276,886)	(5,399,403)	(14,257,535)	8,896,343	**(20,037,481)**

31 December 2014 £	Communications	Marketing & Advertising	Head Office	Other/ Consol.	Total
External revenue	18,625,818	4,647,850	-	-	23,273,668
Inter-segment revenue	152,832	114,705	1,116,886	(1,384,423)	-
Reportable segment revenue	18,778,650	4,762,555	1,116,886	(1,384,423)	23,273,668
Gross profit	16,714,182	2,539,795	151,352	-	19,405,329
Depreciation and amortisation	(1,069,634)	(175,390)	(203,479)	-	(1,448,503)
Reportable segment result	885,053	261,375	(1,923,568)	-	(777,140)
Finance income	6,056	259	154,809	(159,863)	1,261
Finance expense	(136,066)	(56,472)	(656,613)	159,863	(689,288)
Taxation (expense)/credit	(207,593)	117,529	392,594	-	302,530

Reportable segment assets	25,303,801	3,659,710	12,454,647	(8,233,204)	33,184,954
Capital expenditure	171,238	20,064	826,019	-	1,017,321
Reportable segment liabilities	(9,065,447)	(7,184,801)	(9,874,161)	8,233,204	(17,891,205)

Geographical segments

Results

The analysis of results and assets by geographic region, based on the location of operating company, is as follows:

Year ended 31 December 2015	UK £	Europe £	Asia- Pacific £	**Total** **£**
Revenue	24,140,370	-	9,952,635	**34,093,005**
Gross profit	18,090,899	-	8,858,006	**26,948,905**
Profit /(loss) on continuing operations before tax	(4,744,667)	(154,787)	1,986,310	**(2,913,144)**
Loss on discontinued operations before tax	(352,577)	-	-	**(352,577)**

Year ended 31 December 2014	UK £	Europe £	Asia- Pacific £	Total £
Revenue	15,160,367	509,122	7,604,179	23,273,668
Gross profit	11,867,995	467,872	7,069,462	19,405,329
Profit/(loss) on continuing operations before tax	(2,547,818)	(176,536)	1,251,900	(1,472,454)
Loss on discontinued operations before tax	(2,529,706)	-	-	(2,529,706)

Geographical split of the customer based revenue is presented below:

Customer based revenue	**2015**	**2014**
United Kingdom	**65%**	64%
Australia	**21%**	31%
USA	**4%**	0%
Europe	**2%**	2%
Hong Kong and Singapore	**6%**	1%
Other	**2%**	2%

No individual customer sales were greater than 5% of Group revenue.

Assets and liabilities

Year ended 31 December 2015	UK £	Rest of Europe £	Asia-Pacific £	Intercompany £	**Total** **£**
Non-current assets	20,497,660	-	1,120,596	-	**21,618,256**
Current assets	10,965,765	10,489	2,891,635	(3,829,828)	**10,038,061**
Current liabilities	(15,471,154)	(509,224)	(1,370,926)	3,829,828	**(13,521,476)**
Long term liabilities	(6,464,433)	-	(51,572)	-	**(6,516,005)**
	9,527,838	(498,735)	2,589,733	-	**11,618,836**

Year ended 31 December 2014	UK £	Rest of Europe £	Asia-Pacific £	Intercompany £	Total £
Non-current assets	22,889,023	(362,997)	(4,739)	(3,624)	22,517,663
Current assets	9,770,147	388,944	2,860,247	(2,352,047)	10,667,291
Current liabilities	(12,260,633)	(386,106)	(1,476,979)	2,355,671	(11,768,047)
Long term liabilities	(6,056,338)	-	(66,820)	-	(6,123,158)
	14,342,199	(360,159)	1,311,709	-	15,293,749

3. Income Tax

Group	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Continuing activities:		
UK: Current tax charge	**(269,264)**	(110,544)
Deferred tax credit	**549,653**	789,242
Total UK tax credit	**280,389**	678,698
Overseas: Current tax charge	**(549,528)**	(326,084)
Deferred tax credit/(charge)	**81,345**	(50,084)
Total overseas tax charge	**(468,183)**	(376,168)
Total income tax (charge)/credit for the year	**(187,794)**	302,530

The total tax credit for the year on all activities is as follows:

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Tax (charge)/credit on continuing activities (as above)	**(187,794)**	302,530
Tax credit on discontinued activities	**-**	49,032

The tax assessed for the year differs from the standard rate of corporation tax in the UK at 20.25% (2014: 21.5%) for the reasons set out in the following table:

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Loss before taxation on continuing activities	**(2,913,144)**	(1,472,454)
Income tax credit computed at the statutory tax rate on loss before taxation on all activities	**589,912**	316,578
Adjustments in respect of current income tax of prior periods	**(50,804)**	(57,332)
Expenses not deductible for tax purposes	**(309,103)**	(220,557)
Income not chargeable to taxation	**-**	193,024
Overseas profits taxed at differing rates	**(148,179)**	(96,963)
UK profits taxed at different rate	**-**	2,614
Unrecognised tax losses brought forward now utilised	**175,931**	-
Tax losses not relieved not recognised	**(441,359)**	(59,041)
Change in recognised temporary differences	**(554)**	32,684
Change in tax rate in respect deferred taxation	**(3,638)**	13,768
Group relief received in respect of discontinued operations	**-**	177,755
Total tax (charge)/credit for the year	**(187,794)**	302,530

Unrecognised deferred tax assets

The Group has tax losses of approximately £3,400,000 (2014: £3,400,000) available to be utilised against future taxable profits in the relevant companies in their countries of operation.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

31 December 2015	Assets £	Liabilities £	Net £
Intangible assets	-	(1,755,155)	**(1,755,155)**
Fixed assets	17,813	(25,686)	**(7,873)**
Trade and other payables	114,731	(51,572)	**63,159**
Tax loss carry-forward	1,468,521	-	**1,468,521**
Net tax liabilities	1,601,065	(1,832,413)	**(231,348)**

Movements in the deferred tax balances during the year were as follows:

31 December 2015	Balance at 1 January 2015 £	Recognised in profit or loss £	Exchange differences and transfers £	Acquired in business combinations £	Balance at 31 December 2015 £
Intangible assets	(2,184,076)	428,921	-	-	(1,755,155)
Fixed assets	(134,540)	120,268	6,399	-	(7,873)
Trade and other payables	119,038	(55,879)	-	-	63,159
Tax loss carry-forward	1,330,833	137,688	-	-	1,468,521
	(868,745)	**630,998**	**6,399**	**-**	**(231,348)**

31 December 2014	Assets £	Liabilities £	Net £
Intangible assets	-	(2,184,076)	(2,184,076)
Fixed assets	-	(134,540)	(134,540)
Trade and other payables	119,038	-	119,038
Tax loss carry-forward	1,330,833	-	1,330,833
Net tax assets	1,449,871	(2,318,616)	(868,745)

31 December 2014	Balance at 1 January 2014 £	Recognised in profit or loss* £	Exchange differences and transfers £	Acquired in business combinations £	Taken to disposal group £	Balance at 31 December 2014 £
Intangible assets	(361,871)	(45,386)	-	(2,334,150)	557,331	(2,184,076)
Fixed assets	(58,417)	(127,303)	2,514	-	48,666	(134,540)
Trade and other payables	52,206	129,759	-	-	(62,927)	119,038
Tax loss carry-forward	1,068,440	831,121	-	-	(568,728)	1,330,833
	700,358	788,191	2,514	(2,334,150)	(25,658)	(868,745)

* £739,158 of deferred tax credit recognised in the profit and loss relates to continuing operations and £49,032 to discontinued activities.

4. Discontinued operations

On 1 December 2014 the Board committed to a plan to discontinue the trading of the Twenty20 Media group ('TTMG'), which was 90% owned by the Group. At 31 December 2014, TTMG, historically representing the major part of the media and advertising operating segment within the Porta Group, was classified as a disposal group and discontinued operations and therefore is excluded from the analysis of continuing operations in the Statement of Comprehensive Income and related notes.

Whilst the activities of TTMG were discontinued by 31 December 2014, final insolvency procedures relating to the remaining liabilities of the business were not entered into until the end of February 2015. In view of the timing of the formal procedures relating to extinguishing the debt and in order to comply with the derecognition criteria of IAS 39 '*Financial Instruments: Recognition and Measurement*' the Group wrote down the net assets of TTMG to zero but continued to reflect the gross assets and liabilities in the Consolidated Statement of Financial Position for the year to December 2014. This does not apply for the current reporting period.

In the course of the administration the Group incurred a number of unforeseen costs resulting in an additional loss from discontinued operations which was recognised in the current reporting period.

The results of the discontinued operations for the year are as follows:	**Year ended 31 December 2015 £**	Year ended 31 December 2014 £
Revenue	**-**	10,270,926
Expenses	**(352,577)**	(11,170,770)
Loss before tax on discontinued operations	**(352,577)**	(899,844)
Impairment of assets of the discontinued operations	**-**	(1,629,862)
	(352,577)	(2,529,706)
Taxation	**-**	49,032
Loss from discontinued operations after taxation	**(352,577)**	(2,480,674)

The assets and liabilities of TTMG classified as discontinued operations as at 31 December 2014 were as follows:

	Year ended 31 December 2014 £
Assets	
Intangible assets	3,266,518
Fixed assets	54,672
Deferred tax asset	25,658
Current assets	1,695,509
Cash	21,033
Impairment of assets of the discontinued operations	(1,629,862)
Assets relating to discontinued operations	3,433,528
Liabilities	
Current liabilities	(2,214,830)
Loans and borrowings	(1,037,500)
Provisions	(181,198)
Liabilities relating to discontinued operations	(3,433,528)
Net assets directly associated with discontinued operations	-

Net cash flow incurred by TTMG was as follows:

	Year ended 31 December 2014 £
Operating	(444,049)
Investing	(60,382)
Financing	(62,500)
Net cash outflow	(566,931)

Since the year end and until the date of this financial information no additional losses or gains have occurred in respect of the discontinued operations.

5. Acquisition of subsidiaries and non-controlling interests

5.1 Acquisition of Newgate Communications (HK) Limited

Newgate Communications (HK) Limited ('Newgate Hong Kong') is a PR consultancy firm specialising in brand building and capital markets services and has been operating under the 'Newgate' brand from the commencement of its trading activity late in 2012.

On 1 November 2012, the Group provided Newgate Hong Kong with a revolving loan facility of up to £495,753 for general working capital purposes. On 1 January 2015, the Directors of both Porta and Newgate Hong Kong agreed to convert the full outstanding balance of the loan facility, including 1.5% annual interest accrued to that date, into a 51% stake of the issued share capital of Newgate Hong Kong.

The fair value of net assets acquired at 1 January 2015 has been determined as equal to their book value. The following table summarises the recognised amounts of assets and liabilities assumed at the acquisition date:

	Book value of acquisition £	Fair Value Adjustments £	Fair Value £
Goodwill	-	451,259	451,259
Fixed assets	12,976	-	12,976
Work in progress	2,884	-	2,884
Trade and other receivables	77,178	-	77,178
Cash and cash equivalents	49,102	-	49,102
Total assets	142,140	451,259	593,399
Trade and other payables	(33,546)	-	(33,546)
Total liabilities	(33,546)	-	(33,546)
Net assets acquired	**108,594**	**451,259**	**559,853**
Less: attributable to NCI			(53,211)
Net value attributable to the Group's equity shareholders			**506,642**

Goodwill

The goodwill arising on the transaction has been recognised as follows:

	£
The value of converted loan as total consideration	**506,642**
Less: the fair value of net identifiable assets	**(55,383)**
Goodwill	**451,259**

The goodwill is attributable mainly to the skills and knowledge of the staff acquired and the synergies expected to be achieved from incorporating the high calibre staff into the existing business.

The following table shows the result of the acquired businesses since acquisition:

	Year ended 31 December 2015 £
Revenue	1,914,279
Cost of sales	(554,341)
Gross Profit	1,359,938
Operating and administrative expenses	(911,429)
Operating profit	448,509
Finance expense	(2,560)
Finance income	3
Profit before taxation	445,952
Taxation	11,193
Profit for the period	457,145
Total comprehensive income for the period	457,145
Attributed to:	
Equity Shareholders (51%)	233,144
Non–controlling interests (49%)	224,001

The cash flows of the acquired business since acquisition were as follows:

	Year ended 31 December 2015 £
Net cash from operating activities	**377,247**
Net cash from investing activities	**(273,862)**
Net cash from financing activities	**–**
Net increase in cash and cash equivalents	**103,385**
Cash and cash equivalents on acquisition	**49,102**
Effect of exchange rate changes	**4,310**
Cash and cash equivalents at the end of the year	**156,797**

5.2 Acquisition of the additional interest in Newgate Communications Limited and 21:12 Direct LLP

On 28 May 2015, the Group completed the reorganisation of Newgate Communications LLP ('Newgate') and 21:12 Direct LLP ('Direct') and, as part of this reorganisation, acquired the outstanding 49% interests in Newgate and the outstanding 30% interest in Direct, thereby increasing the Group's ownership interest in both businesses to 100%, for a total consideration of 9,754,000 Ordinary Shares of 10p each in Porta. The Ordinary Shares remain subject to a minimum 12 month lock-in period with a further 12 month orderly market period.

6. Investment in associates

The Group has a 29.5% interest in Capital Access Group Limited ("Capital Access"), a corporate communications, investor access and equity research provider, which was acquired in a non-cash acquisition on 28 July 2015. Under the acquisition agreement, the Group provides Capital Access with office services for 3 ½ years from acquisition and guarantees up to £2,000,000 of debt. Any calls on the guarantee will be satisfied by the issue of Ordinary Shares in Porta at the time. Porta has a call option over the remaining equity in Capital Access, exercisable in four tranches from 1 January 2018. The call option is payable in Ordinary Shares of Porta but Porta has no obligation to purchase the outstanding equity in the associate.

The Group also has a 25.1% interest in Team Darwin Limited, a community powered creative business, with a call option to purchase up to 40% of the outstanding share capital.

The following table summarises the financial information of the Group's investments in its associated companies at the end of the financial year.

. *Group*

	Year ended 31 December 2015			Year ended 31 December 2014
	Capital Access	***Team Darwin***	**Total**	Team Darwin
	£	£	£	£
Revenue	**904,136**	**96,856**	**1,000,992**	134,383
Cost of sales	**(11,305)**	**(32,505)**	**(43,810)**	(79,470)
Administration expenses	**(886,718)**	**(40,436)**	**(927,154)**	(83,943)
Net finance expense	**(135,032)**	**-**	**(135,032)**	-
Profit/(Loss) for the period	**(128,919)**	**23,915**	**(105,004)**	(29,030)
Group ownership	**29.5%**	**25.1%**		25.1%
Profit/(Loss) attributable to the Group	**(32,359)**	**7,055**	**(25,304)**	(7,287)
Carrying value of the investment at 1 January	**-**	**119,435**	**119,435**	126,722
Acquired during the year	**751,790**	**-**	**751,790**	-
Share of profit/loss in associate during the year	**(32,359)**	**7,055**	**(25,304)**	(7,287)
Carrying value of the investment at 31 December	**719,431**	**126,490**	**845,921**	119,435

7. Non-controlling interest

During the year ended 31 December 2015 the Group had two subsidiaries with material non-controlling interests: Redleaf Polhill Limited and Newgate Communications Pty Limited in both of which the Group has 51% ownership. Summarised financial information before intragroup eliminations in respect of these subsidiaries is presented in table below.

	Newgate Communications Pty Limited		***Redleaf Polhill Limited***	
	Year ended 31 December 2015	Year ended 31 December 2014	**Year ended 31 December 2015**	Year ended 31 December 2014
	£	£	**£**	£
Current assets	**1,983,696**	1,975,307	**1,017,605**	719,531
Current liabilities	**(526,685)**	(785,107)	**14,718**	(671,531)
Net current assets	**1,457,011**	1,190,200	**1,032,323**	48,000
Non-current assets	**118,765**	143,675	**3,446,150**	3,919,526
Non-current liabilities	**(700,877)**	(620,422)	**(1,259,594)**	(483,958)
Net non-current assets/(liabilities)	**(582,112)**	(476,747)	**2,186,556**	3,435,568
Net assets	**874,899**	713,453	**3,218,879**	3,483,568
Non-controlling interests	**428,701**	349,592	**1,577,251**	1,706,949
Revenue	**7,034,316**	6,984,444	**3,642,796**	2,359,365
Profit for the year	**993,649**	799,018	**456,390**	141,119
Other comprehensive income	**(62,554)**	(24,821)	**–**	-
Total comprehensive income	**931,095**	774,197	**456,390**	141,119
Attributable to non-controlling interests	**486,888**	379,357	**223,631**	69,148
Dividends paid to non-controlling interests	**346,453**	115,034	**381,773**	125,779

	Newgate Communications Pty Limited		***Redleaf Polhill Limited***	
	Year ended 31 December 2015	Year ended 31 December 2014	**Year ended 31 December 2015**	Year ended 31 December 2014
	£	£	**£**	£
Cash flows from operating activities	**852,005**	464,067	**667,572**	684,340
Cash flows from investing activities	**(385,428)**	(237,591)	**(363,739)**	(169,383)
Cash flows from financing activities	**-**	-	**(180,314)**	-
Payment of dividend to parent Company	**(423,260)**	(119,729)	**(339,699)**	(130,934)
Net increase/(decrease) of cash and cash equivalents	**43,317**	106,747	**(216,180)**	384,023

Further information about non-controlling interests will be given the 2015 Annual Report.

8. Loss per share

The loss per share has been calculated using the weighted average number of shares in issue during the relevant financial year. The weighted number of equity shares in issue and the loss, being the loss after tax, used in these calculations are as follows:

	Year ended 31 December 2015 number	Year ended 31 December 2014 number
Weighted average number of shares (Ordinary and dilutive)	**273,399,572**	219,820,830

	£	£
Loss on continuing activities after tax	**(4,003,535)**	(1,257,265)
Loss on discontinued activities after tax	**(352,577)**	(2,480,674)
Loss on continuing and discontinued activities after tax	**(4,356,112)**	(3,737,939)

No share options or warrants outstanding at 31 December 2015 or 31 December 2014 were dilutive and all such potential Ordinary shares are therefore excluded from the weighted average number of Ordinary Shares for the purposes of calculating diluted earnings per share.

9. Intangible assets

Group

Cost	Goodwill £	Customer relationships £	Brands £	Websites, software and licences £	Total £
At 1 January 2014	7,110,054	1,590,000	747,000	141,022	9,588,076
Additions in the year – acquired with subsidiaries	3,118,597	8,330,000	2,785,000	1,223	14,234,820
Other additions in year	-	-	-	49,822	49,822
Discontinued operations written off	(2,724,601)	(540,000)	(345,000)	(8,017)	(3,617,618)
Translation differences	12,900	-	-	37	12,937
At 31 December 2014	**7,516,950**	**9,380,000**	**3,187,000**	**184,087**	**20,268,037**
Additions in the year – acquired with subsidiaries	451,259	-	-	-	451,259
Re-estimate of previously acquired goodwill (in ICAS)	88,684	-	-	-	88,684
Other additions in the year	-	-	-	188,141	188,141
Translation differences	10,035	-	-	(35)	10,000
At 31 December 2015	**8,066,928**	**9,380,000**	**3,187,000**	**372,193**	**21,006,121**

Amortisation	£	£	£	£	£
At 1 January 2014	-	602,158	140,300	58,152	800,610
Charge for the year	-	987,996	196,664	50,989	1,235,649
Discontinued operations written off	-	(256,833)	(86,250)	(8,017)	(351,100)
Translation differences	-	-	-	10	10
At 31 December 2014	-	**1,333,321**	**250,714**	**101,134**	**1,685,169**
Charge for the year	-	1,888,496	318,692	57,595	2,264,783
Translation differences	-	-	-	(23)	(23)
At 31 December 2015	**-**	**3,221,817**	**569,406**	**158,706**	**3,949,929**

Net book value	£	£	£	£	£
At 1 January 2014	7,110,054	987,842	606,700	82,870	8,787,466
At 31 December 2014	7,516,950	8,046,679	2,936,286	82,953	18,582,868
At 31 December 2015	**8,066,928**	**6,158,183**	**2,617,594**	**213,487**	**17,056,192**

The average remaining amortisation period for indefinite life intangible assets recognised at 31 December 2015 is approximately 8 years for brands (2014: 9 years) and 3 years for customer relationships (2014: 4 years).

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, the aggregate carrying amount of goodwill is allocated to each cash-generating unit (CGU) as follows.

Reporting Segment	***Cost***	**31 December 2015 £**	31 December 2014 £
Communications	ICAS Limited (trading as Publicasity)	**188,789**	100,105
Communications	Newgate Communications Limited	**3,545,117**	3,545,117
Communications	Newgate Communications (HK) Limited	**470,197**	-
Communications	Newgate Communications (Singapore) Pte. Ltd	**433,135**	442,038
Communications	PPS (Local & Regional) Limited	**588,701**	588,701
Communications	Redleaf Polhill Limited	**1,406,358**	1,406,358
Marketing	21:12 Communications Limited	**594,295**	594,295

Marketing	Summit Marketing Services Limited	**346,859**	346,859
	Other units without significant goodwill*	**493,477**	493,477
	TOTAL	**8,066,928**	7,516,950

* Other includes goodwill acquired with Cauldron Consulting Limited, the trade of which is now incorporated into Newgate Communications Limited and 13 Communications Limited (both belonging to the communications division) and 2112 Direct LLP, the trade of which is now incorporated into 21:12 Communications Limited, which belongs to the marketing division.

The recoverable amount of the cash generating units has been determined on a value-in-use basis, determined by discounting future cash flows to be generated from the continuing use of the cash-generating unit.

Key assumptions used in the calculation of recoverable amounts are discount rates, terminal value growth rates, and forecast EBITDA. The EBITDA forecasts are based on three year forecasts approved by the Board and based on management's estimate of the business within the cash-generating unit, for two years thereafter based on an average growth projection, and a long- term growth rate into perpetuity. For all cash-generating units the resulting cash flows have been discounted using a pre-tax weighted average cost of capital of 13.0% (2014: 14.0%) and a terminal growth rate of 2.5% (2014: 2.5%) has been applied in perpetuity. The discount rate was based on the risk-free rate obtained from UK Government Gilts, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk specific to the Group.

The results of the impairment testing indicated that there is no impairment for any of the continuing Group's cash-generating units. The impairment in relation to the discontinued operations is disclosed in full in the financial statements.

10. Fixed assets

Group

Cost	Office improvements £	Fittings and equipment £	Computer equipment £	Motor vehicles £	Total £
At 1 January 2014	199,447	109,628	215,628	24,000	548,703
Additions in the year – acquired with subsidiaries	184,398	274,807	58,838	34,728	552,771
Other additions in the year	760,563	151,107	105,651	-	1,017,321
Transfers between categories	(4,370)	(6,551)	10,921	-	-
Disposals in the year	-	(19,843)	-	-	(19,843)
Discontinued operations written off	(44,405)	(26,864)	(24,062)	-	(95,331)
Translation differences	(2,228)	(1,981)	(1,620)	-	(5,829)
At 31 December 2014	**1,093,405**	**480,303**	**365,356**	**58,728**	**1,997,792**
Additions in the year – acquired with subsidiaries	5,464	2,022	5,490	-	12,976
Other additions in the year	30,798	72,078	91,225	-	194,101
Disposals in the year	-	-	(2,266)	-	(2,266)
Translation differences	(7,236)	(5,386)	(3,426)	-	(16,048)
At 31 December 2015	**1,122,431**	**549,017**	**456,379**	**58,728**	**2,186,555**
Depreciation	£	£	£	£	£
At 1 January 2014	80,028	40,412	104,306	800	225,546
Charge for the year	188,189	85,820	102,978	7,210	384,197
Transfers between categories	(1,035)	(1,521)	2,556	-	-
Disposals in the year	-	(9,591)	-	-	(9,591)
Discontinued operations written off	(14,805)	(22,829)	(3,025)	-	(40,659)
Translation differences	(1,155)	(484)	(776)	-	(2,415)
At 31 December 2014	**251,222**	**91,807**	**206,039**	**8,010**	**557,078**
Charge for the year	240,556	119,181	81,005	12,880	453,622
Disposals in the year	-	-	(553)	-	(553)
Translation differences	(2,710)	(1,476)	(1,209)	-	(5,395)
At 31 December 2015	**489,068**	**209,512**	**285,282**	**20,890**	**1,004,752**
Net book value	£	£	£	£	£
At 1 January 2014	119,419	69,216	111,322	23,200	323,157
At 31 December 2014	842,183	388,496	159,317	50,718	1,440,714
At 31 December 2015	**633,363**	**339,505**	**171,097**	**37,838**	**1,181,803**

11. Trade and other receivables

Group

	31 December 2015	31 December 2014
	£	£
Trade receivables	**5,336,814**	5,743,807
Less provision for impairment	**(131,293)**	(211,299)
	5,205,521	5,532,508
Loans	**-**	793,633
Other debtors	**898,313**	669,730
Prepayments	**1,222,381**	764,788
	7,326,215	7,760,659

The average credit period on sales of services is 56 days (2014: 87 days). No interest has been charged on trade receivables during the year.

The Group provides for the impairment of trade receivables on a customer-by-customer basis having regarded past payment experience and the probability of future payment.

During the year a charge for bad and doubtful debts of £176,578 (2014: £133,167) was made to the Statement of Comprehensive Income. Identified individual bad or doubtful debtors are provided for in full to the extent that they are deemed irrecoverable. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for impairment relating to doubtful debts. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

At 31 December 2015 there were two customers who individually represented more than 5% of the trade and other receivables balance, an international drinks company and an international finance company which accounted for £442,324 (8.5%) and £325,324 (6.2%) of trade receivables respectively. At 31 December 2014 there were no customers who individually represented more than 5% of trade receivables.

A summary of trade receivables, excluding impaired balances, categorised by due date for payment is as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
Neither past due nor impaired	**2,141,047**	2,070,468
Past due but not impaired:		
Past due up to 3 months	**2,564,145**	3,023,834
Past due more than 3 months not more than 6 months	**361,275**	255,370
Past due more than 6 months not more than 1 year	**132,076**	141,471
Past due more than 1 year	**6,978**	41,365
	5,205,521	5,532,508

The movement on impairment for the year in respect of trade receivables was as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
Balance at 1 January	**211,299**	112,746
Acquired with subsidiaries	**-**	31,458
Amounts written off during the year	**(255,573)**	(65,400)
Provision made during period	**176,578**	133,167
Translation differences	**(1,011)**	(672)
Balance at 31 December	**131,293**	211,299

Non-current other receivables

On 7th January 2014 the Company entered into a tenancy agreement relating to the new office premises located at 50 Basinghall Street, London. The initial deposit of £923,775 and related interest is retained by the Landlord in a separate bank account until the termination of the lease.

12. Trade and other payables

Current liabilities

Group	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Trade payables	**2,233,856**	1,970,894
Taxes and social security costs	**1,550,381**	1,511,988
Income received in advance	**1,129,703**	795,813
Other payables	**433,663**	223,014
Accrued expenses	**2,768,780**	2,026,007
	8,116,383	6,527,716

The average credit period taken by the Company on trade purchases was 65 days (2014: 80 days). Interest may be charged on overdue trade payables at varying rates up to 13% per annum depending on the contractual terms and the legal requirements of the country of operation. The Company manages trade payables in accordance with customer terms and the cash flow requirements of the business. £45 interest was charged by suppliers during the year (2014: none).

Non-current liabilities

The Group recognised £462,487 of other non-current payables in respect of the acquisition of the equity interest in Capital Access Group Limited (see note 6). There were no non-current trade and other payables in 2014.

13. Provisions and Contingent Liabilities

The acquisition of Redleaf in 2014 (see note 10 in the financial statements of the Group for the year ended 31 December 2014) involved the grant of put and call options relating to the purchase by the Company of the remaining 49% of the issued share capital of Redleaf which are exercisable in three tranches following the end of each of the three full financial years beginning 31 December 2015 on similar terms to the initial acquisition. Any additional consideration payable under the put and call options will be satisfied 50% in cash and 50% in Ordinary Shares.

Management has evaluated Redleaf's three year forecasts for profit after tax in order to determine the liability component of deferred consideration and has discounted this using the Group's pre-tax weighted average cost of capital of 14.8% at the time of the acquisition. At 31 December 2015 the present value of the liability component of deferred consideration is £970,410 (2014: £856,334).

On 1 December 2014 the Board committed to a plan to discontinue the trading of the Twenty20 Media group ('TTMG'), which was 90% owned by the Group. At 31 December 2014, TTMG, historically representing the major part of the media and advertising operating segment within the Porta Group, was classified as a disposal group and discontinued operations and therefore is excluded from the analysis of continuing operations in the Statement of Comprehensive Income and related notes.

Whilst the activities of TTMG were discontinued by 31 December 2014, final insolvency procedures relating to the remaining liabilities of the business were not entered into until the end of February 2015. In the course of the administration the Group incurred a number of unforeseen costs and made a further provision of £208,892 resulting in an additional loss from discontinued operations which was recognised in the current reporting period. Further details are available in note 4. The Directors expect no further costs to be incurred as a result of TTMG discontinued operations.

14. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. Further information about the Group's exposure to interest rate, foreign currency and liquidity risk arising from these loans and borrowings is disclosed in the full financial statements.

Group

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Non-current liabilities		
Loans – related party	**2,812,935**	2,518,550
	2,812,935	2,518,550
Obligations under finance leases (note 24 in the financial statements)	**228,868**	304,613
	3,041,803	2,823,163
Current liabilities		
Loan notes issued in relation to business combinations	**100,342**	1,557,532
Convertible loans	**4,754,863**	2,936,680
	4,855,205	4,494,212
Obligations under finance leases (note 24 in the financial statements)	**101,064**	80,781
	4,956,269	4,574,993

During 2014, the Company entered into a loan agreement with Retro Grand Limited under which £3.0 million was borrowed. Subsequently, in 2015, the Company borrowed a further £1.7m from Retro Grand and re-financed the existing £3.0 million loan principal. These are due to be repaid or converted into 10p Ordinary Shares at the lender's choice by the end of 2016.

In H1 2016 the Company renewed its £2.86m deep discounted bond facility, due to be repaid on the 26 February 2016, and its £0.25m bridging loan facility, due to be repaid on 21 January 2016, from Hawk Investment Holdings Limited on materially the same terms as the original facilities.

Retro Grand is a Jersey registered company which is wholly owned by the Edward Trust. The Edward Trust is a trust whose sole beneficiary is one of Bob Morton's sons, who is over the age of eighteen years, and is managed and administered by independent trustees. Bob Morton is neither a beneficiary nor a trustee of the Edward Trust, nor is he a director of Retro Grand Limited.

During the year, the Company repaid the loan notes bearing 6% coupon which were issued as a purchase consideration for acquisition of PPS Group Limited and ICAS Holdings Limited (trading as Publicasity) in 2014. One of the former Publicasity's shareholders has extended £100,000 of his loan notes on the same terms for a further 12 months.

Terms and debt repayment schedule

				2015		2014	
	Currency	Nominal interest rate	Year of maturity	**Face value**	**Carrying amount**	Face value	Carrying amount
Deep discounted bond - related party	GBP	12%	2016	**2,862,000**	**2,812,935**	2,862,000	2,518,550
Convertible loan	GBP	12%	2016	**4,867,450**	**4,754,863**	-	-
Convertible loan	GBP	12%	2015	**-**	**-**	3,067,450*	2,936,680
Loan notes	GBP	6%	2016	**100,000**	**100,342**	-	-
Loan notes	GBP	6%	2015	**-**	**-**	1,552,000	1,557,532
				7,829,450	**7,668,140**	7,481,450	7,012,762

* As agreed between the parties during 2015, 2% transaction costs together with £7,450 legal costs have been capitalised and added to the principal of £3,000,000.

15. Related party transactions

Key management personnel – Group and Company

In the opinion of the Board, only the Executive Directors of the Company are regarded as key management personnel. The Executive Directors have service agreements which require 12 months' notice of termination from either party. Key management personnel compensation, including state taxes, comprised the following:

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Short term employee benefits	**584,539**	649,456
Share-based payments	**87,227**	174,932
Post-employment benefits	**129,671**	22,406
	801,437	846,794

Other related party transactions

During the year the Company was invoiced £24,000 by Blasdales Limited (2014: £29,100 by CICS Limited), a company of which Brian Blasdale is a Director, for Non-Executive Director's fees. At the year-end £1,516 was owed by Company in respect of his expenses (2014: £861).

£30,000 was paid to Hawk Consulting Limited, a company of which Bob Morton is a Director, for non-executive director's fees (2014: £30,000).

Prior to May 2013, Hawk Investment Holdings Limited ('Hawk Investment'), a company beneficially owned by Bob Morton and his wife, provided the Group with a number of short term loan facilities, the outstanding balance of which was restructured into one loan, the deep discounted bond, with a face value of £2,862,000 and 12% fixed interest payable, together with the principal of the loan, on its maturity on 28 February 2016. The Group has charged a total of £294,387 (2014: £294,387) of finance costs to the statement of comprehensive income in relation to this loan which was renewed into a new deep discounted bond earlier in 2016.

During the year the Group paid £90,000 (2014: £93,000) to members of Directors' families employed by the Group.

The Group is in the process of migrating to a new accounting software package provided by Aqilla Limited in which the Group's Chairman, Bob Morton, is a controlling shareholder. The total amount charged by Aqilla Limited to the Group in 2015 was £61,302 (2014: £31,902).

The following amounts were owed to or by Directors to the Company at the year-end in respect of expenses incurred or advances for expenses made in relation to expenses incurred on behalf of the Group's business:

	Max amount outstanding by Director during the year	Owed by Directors / (Owed to Directors)	
		2015	2014
	£	**£**	£
David Wright	**7,083**	**781**	757
Gene Golembiewski	**199**	**(780)**	(35)
Brian Blasdale (and Blasdales Limited or CICS Limited)	**3,974**	**(1,516)**	(861)

All related party transactions were on normal commercial terms.

16. Dividends

No dividends were proposed by the Group during the period under review.

17. Subsequent events

Executive Share Incentive Plan

On the 15th March 2016, the Company adopted the Executive Share Incentive Plan (the "Plan") and each of the Chief Executive Officer, Managing Director and Chief Financial Officer ("Management") were awarded A Ordinary Shares in Porta Communications Midco Holdings Limited, ("Porta Midco"). On 17th March 2016 a Circular was sent to shareholders containing details of the Plan and calling a general meeting on 6 April 2016 to consider the proposed Plan, and if appropriate, approve the Plan. At the general meeting shareholders approved the Plan.

On maturity of the Plan, the A Shares will be entitled to 15% of the growth in value of the Ordinary Shares above a market capitalisation of £36.3 million equal to a value of approximately 13p per Ordinary Share. Until this share price has been achieved Management will receive minimal or no value for their A Shares in Porta Midco. Full details can be found in the Circular sent to shareholders on 17 March 2016 which is available on Porta's website, www.portacomms.com.

Restructuring of the borrowings

Refer to Note 14 (Loans and Borrowings) and Note 15 (Related Party Transactions)

18. Availability of Annual Report and Accounts

Copies of the full set of Report and Accounts will be posted to shareholders on 3 June 2016 and will be available for download on the Group's website http://portacomms.com /investor-relations.