

CTVC Limited

Company Registration No: 1375941

Registered Charity Number 276286

Report of the Directors and Financial Statements

for the year ended

31 December 2010

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CTVC Limited

Report of The Directors for the year ended 31 December 2010

Reference and Administration

The Directors who act as Trustees for the charitable activities of CTVC Limited present to the members their report and financial statements for the year ended 31 December 2010

Directors	Committee Membership		
J R. Newton (Chairman)			
M. A. Booth, MA	(1)		
A. E. Cowen, MRICS	(2)		
P. F. Kafno, MA	(1)		
G. C King, MA, CA	(1,2)		
P K. Reeve, BA		Retired	28 April 2011
Mrs. J. L. Ropner DL		Appointed	27 January 2010
M D. M. Simon			
The Hon. Mrs C. Twiston-Davis			
Advisor:			
Earl St. Aldwyn	(2)	Appointed	1 February 2010
Committees:			
Management	(1)		
Audit and Remuneration	(2)		

Registered office and finance:

12 Warwick Square, London, SW1V 2AA

Production office:

9-12 Copper Row, London Bridge Piazza, London, SE1 2LH

Reference and Administration (continued)

Company Information

Chief Executive Officer: P. Weil BA

Secretary/ Finance Director: P. O. Connolly

Head of Programmes. R Bruce BD, MTh

Head of Production: M. P. Long

Professional Advisors.

Auditor: **Baker Tilly UK Audit LLP**
46 Clarendon Road, Watford, WD17 1JJ

Bankers: **National Westminster Bank plc**
P O Box 224, Stanmore, HA7 4XW

Solicitors. **Candy LLP**
8 Stone Buildings, Lincoln's Inn, London, WC2A 3TA

Keystone Law Ltd
53 Davies Street, London, W1K 5JH

Paris Smith LLP
Number 1 London Road, Southampton, SO15 2AE

Structure, Governance and Management

Constitution

CTVC is a company limited by guarantee (registered number 1375941), and a registered charity (registered number 276286). It was established on the 29 June 1978, the governing document being the Memorandum and Articles of Association as amended and adopted on the 11 December 2000, 16 December 2002 and 14 December 2004.

Corporate Governance

Appliance of the principles of the Combined Code

CTVC seeks to comply with best practice with regard to corporate governance. The Directors have reviewed the requirements of the Combined Code. The principles of the Combined Code relevant to CTVC have been applied as follows:

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently, observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Structure, Governance and Management (continued)

Directors

The names of the Directors who served during the year are shown on page 1 and The Chairman would like to thank all of them for their support and continuing interest in the work of CTVC

Retirement

At the forthcoming Annual General Meeting, Mr P K Reevel will be retiring and not standing for re-election. The Chairman would like to thank him for his valued support to CTVC over a period that involved substantial change.

New Director

We welcomed Mrs J L Ropner as a Director in 2010.

New Advisor

Earl St Aldwyn was appointed as an advisor to the Board and a member of the Audit committee during 2010.

Appointments to the Board

Members of the Board are appointed either by The Rank Foundation Limited ("The Rank Foundation") or by the existing Board. There are no set procedures for selecting new members and to this extent, CTVC does not comply with the requirements of the Combined Code but makes appointments on the basis of the particular skills required by the Board.

Given the ability of The Rank Foundation to appoint a majority of the Board Directors, and CTVC's circumstances, the Board are satisfied that this non-compliance does not have a detrimental effect on the corporate governance of CTVC.

Re-election

The members of the Board are required to be re-elected to the Board annually.

In accordance with the articles of association, the remaining Directors in office at that time will retire at the forthcoming Annual General Meeting and offer themselves for re-election.

Board balance

At the commencement of the year the Board comprised eight Directors and a further Director was appointed during the year. Five were appointed by The Rank Foundation, and the balance elected by the Board.

The Rank Foundation has the right to appoint a majority of the Directors and to remove any Directors it appoints. Any other Directors can be appointed either by the Board or by the members.

Induction and training

All new Directors receive on appointment an induction pack. This contains copies of the Governing documents, all committee constitutions, the previous year's annual report and financial statements, a book detailing the history of the charity, and the group, and a profile of all Directors and staff.

Formal training is provided as and when required or appropriate.

Structure, Governance and Management (continued)

Directors' remuneration

Directors' remuneration, if any, is set by the Board and is based on the number of days required to perform their duties

The Directors' emoluments are detailed in the financial statements

Insurance

The company has in place Directors' and Officers' insurance

Decision Making and Committees

Chairman and Chief Executive

The roles and responsibilities of the Chairman and Chief Executive are separate and are clearly defined

The Board

The Board is responsible for leading and controlling CTVC. The Board achieves this by

- setting the long term strategic objectives of CTVC

- the annual preparation, approval and adoption of medium term business plans, which guide CTVC's activities in the periods to which they relate,

- the annual preparation, approval and adoption of annual budgets, based on three year business plans,

- monitoring actual performance against budget and business plans,
- monitoring the results, key performance indicators and variances on a quarterly basis

The Board met four times during the year

It is to be noted that the Board is comprised solely of non-executive directors. The combined code would require a senior independent director be identified, and that directors are not considered independent once they have served for over nine years. However, given that the Board is comprised solely of non-executive directors, they are all independent of management.

Supply of information

The Board receives detailed management accounts prior to each Board meeting

Additional information is also provided to members of the Management Committee at their regular meetings

Minutes of all Management and Audit and Remuneration Committee meetings are distributed to members of the Board on a regular basis

Further information and analysis required by any Board member is provided to them whenever they request it

Structure, Governance and Management (continued)

Chief Executive Officer

Mr Weil is a television executive with over 30 years of broadcast experience in the UK, Europe, the USA and Latin America with a strong track record in innovation, especially in tackling ethical and moral issues. Key achievements include senior management experience at both Discovery and the BBC, setting up an independent production company and leading Media Trust Productions and the Community Channel.

Management committee

The Board has delegated specific responsibilities to the Management Committee, which comprised three non-executive Directors, Mr P F Kafno and Mr G C King, and Mr M A Booth, the Chief Executive, Mr P Weil and the Company Secretary / Finance Director, Mr P O Connolly.

The Committee meets approximately ten times throughout the year. The purpose of the Committee is to ensure the business of CTVC is conducted on a day to day basis within the limits delegated by the Board and in accordance with the policies and strategies prescribed by the Board. The Committee members report to the Board four times a year.

Audit and Remuneration committee

Throughout the year the Committee comprised two non-executive directors and one advisor and met twice in the year. The purpose of the Committee is to create a formal conduit between the external auditor and the Board. It has the authority to appoint the external auditor and to fix their remuneration.

The auditor has reported to the committee on, inter alia, their independence and the procedures they undertake to maintain their independence. The committee has reviewed these in conjunction with the non-audit fees paid to the auditors and have satisfied themselves as to the auditor's continuing independence.

It also has the power to fix the salary and expense allowances of the Chief Executive.

Committee members also advise as to the content and presentation of the annual report, so as to ensure that financial reporting requirements are met.

The purpose, functions and responsibilities of the Committee are clearly defined and where authority has been delegated to the Committee, the Board as a whole will not unreasonably withhold approval of the Committee's decision.

Parent undertaking

The parent company is The Rank Foundation Limited (registered number 516434), a registered charity (registered number 276976), whose address is 12 Warwick Square, London, SW1V 2AA.

CTVC is a wholly owned subsidiary of The Rank Foundation. The Rank Foundation prepares consolidated accounts, which incorporate the results of CTVC, and its subsidiary company (Hillside Studios Limited).

Structure, Governance and Management (continued)

Subsidiary undertaking

CTVC has a wholly-owned trading subsidiary which is incorporated in the United Kingdom, Hillside Studios Limited (registered number 1782130) Following the relocation of its operations to Central London its principle activity is the making of video productions

Any profits of Hillside Studios Limited are donated to CTVC by way of gift aid

A summary of Hillside Studios Limited's trading results for the year is shown on page 22

Internal control and risk management

The Board has overall responsibility for CTVC's system of internal control and for monitoring the effectiveness of the controls

It should be noted that any system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss

CTVC has put in place an organisational structure with formally defined lines of responsibility and delegation of authority Within that structure, key aspects of the system of internal control are

- A triennial preparation of medium term business plans, incorporating annual operating and capital budgets, which are formally approved by the Board

Annually, the budget for the year, as set out in the medium term business plan, is revised to take account of changing circumstances and formally adopted and approved by the Board

Monthly management accounts are used to monitor financial performance with all significant variances from the budget investigated Key performance indicators are reviewed

- The Board receive quarterly accounts

Given CTVC's size and nature of operations, the Board does not consider that an Internal Audit function is warranted

As set out above, the Board is closely involved in the implementation of the internal controls The Board has reviewed the operation of the internal controls and is satisfied that the key internal control functions operated effectively during 2010

In addition the Board has confirmed that the major risks to which the charity is exposed, as identified by the Directors, have been reviewed and systems established to mitigate those risks

The major risks identified are

- | | |
|--------------------------|---|
| • To reputation | Failure to complete or meet production requirements |
| • Legislative | Non-compliance with acts of Government |
| • Financial | Loss of grant |
| • Information technology | Computer systems failure |
| • Personnel | Loss of key personnel |

Objectives and Activities

Mission Statement

CTVC's purpose is to engage viewers, listeners and readers through all media with matters of religion, faith and ethics from a perspective which respects those of all faiths and those with none. CTVC is part of the Rank Foundation, a charitable organisation which puts the Christian ethos at the forefront of its activities.

CTVC is a registered charity and its principal activities are:

- To produce programmes and content for broadcast on all platforms - television, radio and the web to further the advancement and promotion of faiths
- To further the understanding of the shared values, traditions and practices of the UK's diverse faiths and their application in a secular society
- To stimulate and motivate people to think about moral, ethical and spiritual issues in their everyday lives

Christianity is the UK's dominant and majority religion but it is equally important to advance the public knowledge and understanding of all historic world faiths with significant communities in the United Kingdom. While our staff are drawn from a range of diverse backgrounds, people of all faiths and none, the Christian ethos informs our approach to all our projects. That ethos is expressed not by attempts at proselytising but rather by furthering an understanding of important contemporary ethical and moral issues and through offering an insight into the principles and historic background behind all the main religions.

Founded by the late Lord Rank, it is also involved in educational projects which tie in with the religious aims of the charity.

The charity has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning future activities. In particular the Directors consider how planned activities will contribute to the aims and objectives they have set.

Television

In order to achieve as wide an audience as possible, programme ideas are submitted to commissioning editors of the terrestrial and digital channels. Ideas which have been originated and developed by CTVC will be funded by the broadcaster concerned for a licence to transmit the programme. CTVC also enters into co-production agreements with other independent companies and broadcasters in projects that reflect the aims of the charity.

Radio

CTVC makes programmes for BBC Radio and the BBC's World Service. As with TV, ideas are generated and developed internally and submitted to the commissioning editors of the radio stations. Once broadcast the programmes are available to listen to again on the BBC and CTVC's websites, enabling people from around the world to hear the programmes.

New Media

We have two websites targeted at young people: TrueTube and Boldface Productions. **TrueTube** is an award-winning education site for schools with videos, lesson plans and assembly plans for PSHE, RE and Citizenship at Key Stages 3 & 4. We currently receive more than 1 million hits per month across 130 countries. **Boldface Productions** delivers high-quality training in film and media to help young people achieve their full potential, and operates a fully equipped mobile media-van fitted with cameras and edit equipment in addition to extensive in-house equipment and facilities. By working with our trainers, young people from a wide variety of backgrounds in communities and educational settings develop a range of technical, creative and life-skills, as well as learning how to make films about the issues they care about.

Achievements and Performance

Television

2010 was a strong year for CTVC's television department. We started the year with "Too Old To Be a Mum?", our first prime time slot on BBC1. The documentary, which aired in January 2010, examined the ethical and moral issues involved when women in their fifties, sixties or seventies decide to become mothers. "Too Old to be a Mum?" is an example of how, given the reduction in overtly religious programming, we are determined to win prime time mainstream commissions which will raise the kind of issues traditionally dealt with in the "God Slot" and also win a far larger audience than would have been the case in the past. We were especially pleased that this was a direct commission, not a co-production and was a real vote of confidence in CTVC's ability to deliver to the highest standards. We recognised the importance of this programme to act as a shop front for CTVC's talents and devoted a lot of effort to ensure we got it right. "Too Old To Be a Mum?" attracted both major press interest with editorials in all four broadsheets and a large audience of 2.1 million, which was above the BBC-1 slot.

The US network, TLC, also decided to air the documentary under the title "Pregnant at 70". It won a healthy audience and has helped us establish a long term relationship with the network. Co-production finance is vital to help us to fund our UK ambitions.

As a result of the success of "Too old To Be a Mum?" we decided to set up a documentary unit headed by Wendy Robbins and Emma Loach to specialise in making documentaries which will deal with ethical and moral issues. We have already won our first commission for BBC-2. It is a documentary which reflects the work of the charity, Save the Family, which believes in taking whole families into care rather than just the children. For Edna Speed, the charity's founder, Christianity is her driving motivation.

Working with our partners, Green Inc Productions in Northern Ireland, we were commissioned to deliver two series to BBC-1's popular "One Show" which attracts an average audience of five million viewers. One strand, "Giving It All Away" focussed on philanthropy while the other, "My Big Decision" explored the moral issues faced by people confronted by a major ethical dilemma.

In addition, we have a number of exciting projects in the pipeline for 2011, including a major documentary on religious art for BBC-2's prestigious "Arena" series.

At the same time as building up our documentary unit, we remained determined to develop our more conventional religious programming. The National Geographic Channel commissioned us to co-produce two major documentaries on religious themes. One told the background story to the Turin Shroud which went back on public display last Easter after a ten year absence and the other revealed exciting new discoveries on The Dead Sea.

We produced ITV-1's "Carols at Christmas" which was recorded at Chase Hospice. We achieved a total audience of 2.3 million viewers. In addition our popular trilogy "Christmas Tales" was repeated on ITV-1 over three nights just before Christmas and reached a million viewers. Meanwhile BBC-1 has commissioned us to produce two programmes for Holy Week 2011 with the working title, "The Jesus Quest". With a mixture of dramatic reconstruction, aerial photography of the Holy Land and interviews with the most authoritative archaeological, theological and historical experts we aim to tell the remarkable life of Jesus as never before.

Achievements and Performance (continued)

Radio

Radio made substantial impact in 2010, with major subjects tackled by authoritative presenters, and received praise and plaudits from commissioning editors and the listening audience. Principal among our programmes were BBC Radio 4's "Iraq's Forgotten War", with Edward Stourton reporting on the persecution of Middle Eastern Christians in the aftermath of the Iraqi war which proved to be prophetic as well as current, broadcast within a month of further persecution and killings of Christians. And BBC World Service's "Useful Idiots", with John Sweeney unpacking Lenin's thesis that intellectuals who praised tyrannies and tyrants are 'useful idiots'. Both these programmes, plus "Haiti One Year On", broadcast in early 2011, will be entered for the Sandford St Martin Awards next month.

New Media

2010 saw the split between TrueTube and its informal education wing, now rebranded as Boldface Productions. With this came a complete website redesign and rebrand for both sites. A competitive tender process kicked off early in the year, and the new websites were up and running in September. Since the re-launch TrueTube has outperformed the same period in previous years. Particularly impressive are the continuing high figures for Pages Viewed and Time Spent on TrueTube, along with the low "Bounce" rate (visits to the site of less than 30 seconds).

Over the last year, the focus at TrueTube has been to generate key content. To coincide with the general Election in May, we shot a series of films to explain the British political system. The films were accompanied by a series of lesson plans and activities to support teachers in the classroom. "Breaking Into The Museum" was a series of 4 short films made by young people about artefacts looked after by the Museum of London while "Holy Cribs" explored the places of worship for the big six religions, Judaism, Christianity, Islam, Hinduism, Sikhism and Buddhism. In the style of 'MTV Cribs' a young person gave us a guided tour of the place of worship.

Boldface Productions established itself as a film training brand focussed on empowering young people to produce their own films. The website, twitter page, facebook and YouTube Channel were set up with a view to engaging and supporting young film-makers. As well as delivering training we also produced a range of online resources for young film-makers. Over the year we launched eleven new initiatives which included training to support Blackpool Young Carers in producing a film about their organisation, a one week film production training programme for Barnet Council as part of their summer arts activities and a three month training programme for marginalised young people in Leyton who in turn trained members of their community. This culminated in a successful community screening event and now acts as a blueprint for future funding proposals.

Our most ambitious project in 2010 was "Being Victor" which was produced by Shed Media Scotland. Billed as the first online drama to offer curriculum support and free lesson plans for teachers, the launch of our new drama/teen-soap was a great success. Working with Immersive Education, we developed a range of 20 free lesson plans using videos from TrueTube and the storylines and episodes from "Being Victor". The plans were designed to engage students in discussion on the key themes tackled in the show, which allowed us to market the project as a unique tool for teachers as well as a cool show for young people to engage with.

Report of The Directors for the year ended 31 December 2010 (continued)

Financial Review

Operating income

Income received from third parties for television contributions £ 744,460 (2009 £ 340,748) and radio programme contributions £ 51,502 (2009 £ 33,132), showed an increase compared to last year

Reserves policy

CTVC aims to achieve a balanced budget in the long term and retain sufficient reserves to meet its working capital requirements. Television programme production requires the producer to "cash flow" the making of any programme, in order to assist this a cash reserve is held.

The Directors consider the level of group cash reserves as at the year end £ 709,955 (2009 £ 831,000) higher than required and this will be reduced further during 2011.

Pension reserve

In 2002, The Rank Foundation paid £ 2 million in to the scheme, and they allocated a further £ 1 million to support the scheme. This amount was included in debtors less the payments made from January 2009 and 2010 £ 116,208 to date.

Due to the economic climate and changes in the Actuary's assumptions, the pension reserve deficit decreased by £ 180,000 to £ 2,007,000 (2009 £ 687,000).

In addition to funding the above deficit over a ten year period, The Rank Foundation has agreed to fund the loss of income that is estimated to accrue over the payment period. Therefore, The Rank Foundation has agreed to contribute £ 282,000 p a for the next ten years and this is reflected in debtors.

Funding

A grant was received from our parent undertaking, The Rank Foundation, of £ 1.5m (2009 £ 1.5m), and there is a commitment to provide £ 1.5m during 2011. For 2012 and beyond The Rank Foundation will provide an annual grant equal to 18.75% of its grant giving budget. It is envisaged that in 2012 this will be £ 1,368,750.

Equal opportunities

CTVC is committed to equality of opportunity for any applicants and all staff, and will endeavour to ensure that no individuals are treated less favourably on the grounds of age, sex, sexual orientation, race, ethnic origin, nationality, marital status, religion or disability. This principle applies to recruitment, transfers, and procedures and all terms and conditions of employment. We also take account of government policy on the employment of people registered as disabled.

CTVC Limited

Report of The Directors for the year ended 31 December 2010 (continued)

Financial Review (continued)

Staff

The Board of CTVC wishes to express its gratitude to the staff for their continuing dedication and hard work during the course of the year

Going concern

In the light of the continued financial support of The Rank Foundation, the Directors are satisfied that CTVC is a going concern

Share capital

CTVC is limited by guarantee and has no share capital. The liability of members is limited to £1 each in the event of CTVC being wound up. There are 14 members.

Statement as to disclosure of information to auditor

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

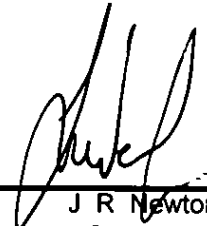
Auditor

Baker Tilly UK Audit LLP has indicated their willingness to continue in office.

12 Warwick Square
London
SW1V 2AA

28 April 2011

On behalf of the Board



J R Newton
Chairman

CTVC Limited

Independent Auditor's Report to the members of CTVC Limited

We have audited the group and parent charity financial statements of CTVC Limited for the year ended 31 December 2010 which comprise the Group Statement of Financial Activities, the Group and Charitable Company Balance Sheets, the Group Cash Flow Statement, and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (Generally Accepted accounting Practice).

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' responsibilities set out on page 3 the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other requirements of 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.

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:

- the parent charity has not kept adequate accounting records, or returns adequate for our audit have not been
- the parent charity financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



SARAH MASON (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants

1st Floor, 46 Clarendon Road,

Watford, WD17 1JJ

28 April 2011

CTVC Limited

Consolidated Statement of Financial Activities incorporating Consolidated Income and Expenditure Account For the year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Incoming resources			
Incoming resources from generated funds			
Voluntary income			
- Grants	4	1,500	1,500
- Pension reserve	7	1,936	-
Activities for generating funds			
Hire of studios, facilities and commercial productions		-	1
Other incoming resources			
Surplus on disposal of fixed assets		-	5
Investment income		3	4
		<u>3,439</u>	<u>1,510</u>
Incoming resources from charitable activities			
Contributions towards production costs - Television		744	341
- Radio		52	33
Broadcast fees		110	82
Education / New Media		227	231
		<u>1,133</u>	<u>687</u>
Total incoming resources		<u>4,572</u>	<u>2,197</u>
Resources expended			
Costs of generating funds			
Studio costs	3	-	5
Charitable activities			
Television production		1,416	1,470
Radio production		143	157
Education / New Media		1,037	775
	3	<u>2,596</u>	<u>2,402</u>
Governance costs	3	28	23
Total resources expended		<u>2,624</u>	<u>2,430</u>
Net incoming / (outgoing) resources before other recognised gains and (losses)			
(being excess of income over expenditure)		<u>1,948</u>	<u>(233)</u>
Other recognised gains and (losses)			
Actuarial gains / (losses) on defined benefit pension scheme	7	170	(608)
Net movement in funds		<u>2,118</u>	<u>(841)</u>
Reconciliation of funds			
Total funds brought forward		(143)	698
Total funds carried forward		<u>1,975</u>	<u>(143)</u>

All activities are continuing

The group has no recognised gains or losses other than those shown in the statement of financial activities

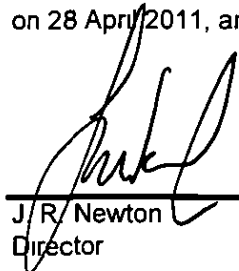
CTVC Limited

Balance Sheets
31 December 2010

Company number 1375941

		Group		CTVC	
	Note	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Fixed assets					
Tangible assets	8	110	129	110	129
Shares in subsidiary undertaking	5	-	-	75	75
Total fixed assets		<u>110</u>	<u>129</u>	<u>185</u>	<u>204</u>
Current assets					
Debtors	10	3,313	1,233	3,313	1,233
Cash at bank and in hand		710	831	639	758
Total current assets		<u>4,023</u>	<u>2,064</u>	<u>3,952</u>	<u>1,991</u>
Liabilities					
Creditors: Amounts falling due within one year	11	(151)	(149)	(151)	(147)
Net current assets		<u>3,872</u>	<u>1,915</u>	<u>3,801</u>	<u>1,844</u>
Total assets less current liabilities		<u>3,982</u>	<u>2,044</u>	<u>3,986</u>	<u>2,048</u>
Defined benefit pension scheme liability	7	(2,007)	(2,187)	(2,007)	(2,187)
Net assets / (liabilities) including pension liability		<u>1,975</u>	<u>(143)</u>	<u>1,979</u>	<u>(139)</u>
The funds of the charity					
General Fund	12	1,162	2,044	1,166	2,048
Designated Fund - Pension Reserve	12	2,820	-	2,820	-
Defined Benefit Pension Scheme Reserve		(2,007)	(2,187)	(2,007)	(2,187)
Total charity funds	7	<u>1,975</u>	<u>(143)</u>	<u>1,979</u>	<u>(139)</u>

The financial statements on pages 14 to 29 were approved and authorised for issue by the Board of Directors on 28 April 2011, and signed on their behalf by


J/R Newton
Director


G C King
Director

CTVC Limited**Consolidated Cash Flow Statement for the year ended
31 December 2010**

	Note	2010 £'000	2009 £'000
Net cash (outflow) from operating activities	A	<u>(78)</u>	<u>(46)</u>
Returns on investment and servicing of finance		<u>3</u>	<u>4</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(46)	(105)
Receipts from sale of tangible fixed assets		-	5
		<u>(46)</u>	<u>(100)</u>
(Decrease) in cash	B,C	<u>(121)</u>	<u>(142)</u>

**A Reconciliation of operating (deficit) / surplus
to net cash (outflow) / inflow from operating activities**

	2010 £'000	2009 £'000
Net incoming / (outgoing) resources	1,948	(233)
Investment income	(3)	(4)
Operating surplus / (deficit)	1,945	(237)
Pension finance	48	137
Pension contributions	(58)	(58)
Depreciation	65	62
Surplus on disposal of fixed assets	-	(5)
(Increase) / decrease in debtors	(2,080)	129
Increase / (decrease) in creditors	2	(74)
Net cash outflow from operating activities	(78)	(46)

**B. Analysis of change in net debt
during the year**

	2010 £'000	2009 £'000	Cash flow £'000
Cash at bank and in hand	710	831	(121)

**C Reconciliation of net cash outflow to
movement in net funds**

	2010 £'000	2009 £'000
Decrease in cash	(121)	(142)
Net funds as at 1 January	831	973
Net funds as at 31 December	710	831

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards. They have also been prepared in all significant respects, in accordance with the Charities (Accounts and Reports) Regulations 2008 the "Statement of Recommended Practice Accounting and Reporting by Charities SORP 2005" issued in March 2008.

Recognition of incoming resources and resources expended

Incoming resources are recognised on the accruals principle. Intangible income is not recognised in the consolidated statement of financial activities as the directors have no basis of valuation.

Resources expended are recognised on the accruals principle.

Income and expenditure is recorded net of Value Added Tax.

Basis of allocation of costs

Costs of Charitable activities

Costs of activities in furtherance of the charity's objects includes all costs relating to the production, sale and distribution of religious programmes plus attributable overheads.

Governance

Includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Support costs

Support costs includes expenditure associated with the management and administration of the charity, and includes the IT support costs.

Support costs have been allocated across the charitable activities, in proportion to the relevant actual costs under the same grouping.

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2010

1. Accounting policies (continued)

Basis of consolidation

The consolidated financial statements comprise CTVC Limited ("CTVC") and its trading subsidiary, Hillside Studios Limited (the "Group"). A summarised profit and loss account and balance sheet of Hillside Studios Limited are given in note 5

Advantage has been taken of the exemption available under section 408 of the Companies Act 2006 not to present an individual profit and loss account for the company

Basis of capitalisation

Amounts capitalised relate to costs of acquisition of assets expected to be used by CTVC in the longer term. Pieces of equipment that have a cost price of less than £250, are treated as additions with a depreciation rate of 100%

Depreciation - Assets for the Charity's own use

Tangible fixed assets are stated at cost less accumulated depreciation

Depreciation of fixed assets is calculated by reference to cost at rates estimated to write off the relevant assets over their expected useful lives, taking into account normal commercial and technical obsolescence

The annual rates used are

Plant and equipment	10% to 50% on cost
Fixtures and fittings	
Technical	10% to 50% on cost
Office	10% to 20% on cost

Any assets considered impaired are written down to their recoverable amount

Archive

CTVC owns a considerable Film and Television programme archive, which has potential for further exploration to the benefit of CTVC. Due to the unique nature of the archive, the excessive expense that would be involved in its valuation, and the uncertainty over any future revenues there from, the Directors have not valued the archive for inclusion in these financial statements

Foreign currency

Cash at bank and in hand includes amounts held in foreign currencies. The amounts held are re-valued against sterling quarterly, and any surplus or loss arising from exchange rate fluctuation is posted to the statement of financial activities

Operating Leases

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the lease term

1. Accounting policies (continued)**Defined benefit pension scheme**

The scheme was closed during 2002. The Company have been paying £ 58,104 per annum into this scheme in line with the schedule of contributions. The amount charged to the statement of financial activities in respect of this scheme, is the estimated increased cost of providing the historical benefits accrued. The interest cost and expected return on assets are included within other finance costs in support costs.

The assets of the scheme are held separately from the group in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at the balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension liability is recognised on the balance sheet to the extent that the group has accepted the obligation to settle the estimated liability.

Defined contribution pension schemes

Employer's contributions are charged to the statement of financial activities and accrued as they become payable.

2. Net incoming resources / (resources expended)

Net incoming resources / (resources expended) are stated after charging / (crediting):

	Group		CTVC	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Depreciation of tangible fixed assets	65	62	65	62
Hire of equipment	3	3	3	3
Rental of premises	105	107	105	107
Auditor's remuneration - audit	18	17	18	16
Auditor's remuneration - other	3	1	2	-
During the year the company purchased Directors' and Officers' insurance	1	1	1	1
Loss on currency exchange rate	-	1	-	1
Deficit / (surplus) on disposal of assets	1	(5)	1	(5)

CTVC Limited

Notes To The Financial Statements for the year ended (continued)
31 December 2010

3. Analysis of total resources expended

2010	Direct Costs £'000	Staff Costs £'000	Occupancy £'000	Depreciation £'000	Other £'000	Support Costs £'000	Total £'000
Generating funds	-	-	-	-	-	-	-
Charitable activities							
Television	597	314	-	-	58	447	1,416
Radio	49	46	-	-	1	47	143
Education / New Media	280	282	-	-	77	398	1,037
Total Charitable activities	<u>926</u>	<u>642</u>	<u>-</u>	<u>-</u>	<u>136</u>	<u>892</u>	<u>2,596</u>
Governance costs	-	8	-	-	20	-	28
	<u>926</u>	<u>650</u>	<u>-</u>	<u>-</u>	<u>156</u>	<u>892</u>	<u>2,624</u>
Analysis of support costs	-	401	172	65	254	(892)	-
Total resources expended	<u>926</u>	<u>1,051</u>	<u>172</u>	<u>65</u>	<u>410</u>	<u>-</u>	<u>2,624</u>

2009	Direct Costs £'000	Staff Costs £'000	Occupancy £'000	Depreciation £'000	Other £'000	Support Costs £'000	Total £'000
Generating funds	3	-	-	-	2	-	5
Charitable activities							
Television	399	255	84	31	349	352	1,470
Radio	30	72	8	2	10	35	157
Education / New Media	563	24	31	16	74	67	775
Total Charitable activities	<u>992</u>	<u>351</u>	<u>123</u>	<u>49</u>	<u>433</u>	<u>454</u>	<u>2,402</u>
Governance costs	-	5	-	-	18	-	23
	<u>995</u>	<u>356</u>	<u>123</u>	<u>49</u>	<u>453</u>	<u>454</u>	<u>2,430</u>
Analysis of support costs	-	125	21	13	295	(454)	-
Total resources expended	<u>995</u>	<u>481</u>	<u>144</u>	<u>62</u>	<u>748</u>	<u>-</u>	<u>2,430</u>

Included in Analysis of support costs - other, is £ 48,000 (2009 £ 137,000), amounts credited to pension finance costs - Note 7

4. Parent undertaking - Grant

The grant is from the immediate and ultimate parent company, The Rank Foundation Limited, a registered charity whose address is 12 Warwick Square, London, SW1V 2AA

The Rank Foundation Limited has confirmed its financial support for operational activities until 2014

The Rank Foundation Limited prepares consolidated accounts, which incorporate the results of the company, and its subsidiary companies

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2010

5. Net income from trading activities of subsidiary

CTVC has a wholly-owned trading subsidiary, Hillside Studios Limited, which is incorporated in the United Kingdom. Following the closure of the studio buildings, the principal activity of Hillside Studios Limited is the making of video productions when appropriate.

Any profits of Hillside Studios Limited are donated to CTVC by way of Gift Aid.

A summary of Hillside Studios Limited's trading results for the year is shown below.

Profit and loss account	2010 £'000	2009 £'000
Turnover	-	1
Cost of sales	-	(3)
Gross profit / (loss)	-	(2)
Administration expenses	(1)	(2)
Charitable donation	-	-
Operating loss	(1)	(4)
Investment Income	-	-
Loss for the year	(1)	(4)
Summarised balance sheet		
Current assets	71	73
Creditors amounts falling due within one year	-	(2)
Net assets	71	71
Equity shareholders' funds	71	71

CTVC's investment in Hillside Studios Limited is 75,000 ordinary shares of £1 each, being the whole issued equity share capital of that company.

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2010

6. Directors and Employees

	2010	2009
Average number employed		
Employed in charitable activities (excluding directors)		
Core Staff	17	6
Short term temporary production staff	7	16
Total	24	22

Employees emoluments

Number of Staff earning £ 70,000 to £ 80,000	1	2
Number of Staff earning £ 100,000 to £110,000	1	1
Number of Staff earning £ 110,000 to £120,000	1	-

Contributions to the money purchase schemes were paid in respect of the above employees
2010 £ 69,959 (2009 £ 39,224)

Staff costs including directors' emoluments	£'000	£'000
Wages and salaries	892	371
Social security costs	88	43
Personal Insurance (PHI, DIS)	20	17
Pension costs	51	50
	1,051	481

Directors' emoluments

Pension Contributions	NIL	NIL
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Emoluments excluding pension scheme contributions

Chairman	NIL	NIL
P F Kafno	10	10
G C King	13	13
P K Reeve	10	10
M A Booth	10	10
	43	43

The above mentioned Directors are remunerated solely for the professional services they render to CTVC and its subsidiary

The other 5 Directors received no remuneration

Reimbursement of expenses incurred in relation to duties as Directors
(Payable to three Directors and relating to travel expenses)

2	2
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Directors are not entitled to pension benefits

7. Pensions**A) Defined benefit scheme - closed April 2002**

The "defined benefit" scheme covered the majority of CTVC's employees up to the date of closure. The pension cost relating to the principal scheme is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. It is to be noted that under this valuation method the costs will increase as the members of the scheme approach retirement. The latest actuarial valuation of this scheme was at the 30 September 2009. The next full valuation will be at 30 September 2012.

The revised valuation showed that the scheme continued to be in deficit and a new Schedule of Contributions has been prepared. This requires a payment from the company of £ 282,000 (2010 £ 58,104) per annum. This schedule commenced in January 2011.

In 2002, The Rank Foundation paid £ 2 million in to the scheme, and they allocated a further £ 1 million to support the scheme. This amount was included in debtors less the payments made from January 2009 £ 116,208 to date. Following the revised valuation The Rank Foundation have agreed to contribute £ 282,000 p a for the next ten years and this is reflected in debtors.

The Directors have appointed the scheme actuary to prepare the following detailed disclosures and they have relied on the actuary's expertise in this regard.

The principal actuarial assumptions used at the balance sheet date:

	2010	2009
Rate of increase in salaries	-	-
Rate of increase of pensions in payment	3.60%	3.60%
Rate of increase for deferred pensions	3.60%	3.60%
Discount rate for scheme liabilities	5.40%	5.80%
Future inflation rate	3.60%	3.60%
Expected return on plan assets	7.10%	7.11%

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment portfolio. Expected yields on bonds are based on gross redemption yields at the balance sheet date whilst the expected returns on the equity and property investments reflect the long-term real rates of return experienced in the respective markets. The actual return on assets for 2010 £ 851,000 (2009 £ 1,123,000).

As at the balance sheet date, the assets and liabilities of the scheme were as follows:

	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Fixed Interest Units	-	-	719	156
Equities	5,325	4,252	3,310	5,519
Property	466	1,198	433	537
Corporate Bonds	599	539	-	195
Cash and Other	266	-	570	48
Total market value of assets	6,656	5,989	5,032	6,455
Present value of scheme liabilities	(8,663)	(8,176)	(6,532)	(7,137)
Shortfall in the scheme (balance sheet reserve)	(2,007)	(2,187)	(1,500)	(682)

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2010

7. Pensions (continued)

	2010 £'000	2009 £'000
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	8,176	6,532
Current service cost	-	-
Employee contributions	-	-
Interest cost	467	417
Actuarial losses / (gains) *	262	1,451
(Gains) / losses on curtailments	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(242)	(224)
Closing defined benefit obligation	<u>8,663</u>	<u>8,176</u>

Changes in the fair value of plan assets are as follows.

Opening plan assets	5,989	5,032
Expected return	419	280
Actuarial gains / (losses) *	432	843
Assets distributed on settlements	-	-
Contributions by employer	58	58
Benefits paid	(242)	(224)
Closing plan assets	<u>6,656</u>	<u>5,989</u>

Amounts recognised in the Statement of Financial Activities

	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Current service cost	-	-	-	-
Interest cost	(467)	(417)	(411)	(380)
Expected return on pension scheme assets	419	280	474	452
Past service costs	-	-	-	-
Losses / (gains) on curtailments and settlements	-	-	-	-
Total	<u>(48)</u>	<u>(137)</u>	<u>63</u>	<u>72</u>

	Current year		Cumulative	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Actuarial gain / (loss) (* £ 432,000 - £ 262,000)	<u>170</u>	<u>(608)</u>	<u>(1,806)</u>	<u>(1,976)</u>

The Company will contribute £ 282,000 to its defined benefit pension scheme in 2011

CTVC Limited

Notes To The Financial Statements for the year ended (continued)
31 December 2010

7. Pensions (continued)

Amounts for the current and previous four periods are as follows.

	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Defined benefit obligation	(8,663)	(8,176)	(6,532)	(7,137)	(7,426)
Plan assets	6,656	5,989	5,032	6,455	6,398
Surplus / (deficit)	<u>(2,007)</u>	<u>(2,187)</u>	<u>(1,500)</u>	<u>(682)</u>	<u>(1,028)</u>
Experience adjustments on plan liabilities	<u>(147)</u>	<u>479</u>	<u>2</u>	<u>(8)</u>	<u>8</u>
Experience adjustments on plan assets	<u>432</u>	<u>843</u>	<u>(1,804)</u>	<u>(285)</u>	<u>360</u>

B) Defined contribution schemes

Funded "defined contribution" schemes are operated

	2010 £'000	2009 £'000
Stakeholder scheme		
Pension charge for the period	44	39
Balance due to the scheme as at the year end	<u>7</u>	<u>6</u>

CTVC Limited

Notes To The Financial Statements for the year ended (continued)
31 December 2010

8. Tangible fixed assets - Assets for the Charity's own use

Group and CTVC

Cost	As at 01 January £'000	Additions £'000	Disposals £'000	As at 31 December £'000
Plant and equipment	354	3	(52)	305
Fixtures and fittings	166	43	(56)	153
	<u>520</u>	<u>46</u>	<u>(108)</u>	<u>458</u>
Depreciation	As at 01 January £'000	Charged for the year £'000	Disposals £'000	As at 31 December £'000
Plant and equipment	258	36	(51)	243
Fixtures and fittings	133	29	(57)	105
	<u>391</u>	<u>65</u>	<u>(108)</u>	<u>348</u>
Net book value	<u>129</u>			<u>110</u>

No analysis can be provided between direct charitable usage, support activities, or management and administration functions as the assets are interchangeable

Archive

See Note 1 on page 22, carried at no value

9. Commitments

	2010 £'000	2009 £'000
Capital	<u>5</u>	<u>-</u>
Annual commitments under non-cancellable operating leases:		
Property leases expiring less than 1 year	-	49
Property leases expiring within 1 to 2 years	-	-
Property leases expiring within 2 to 5 years	<u>93</u>	<u>-</u>

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2010

10. Debtors

	Group		CTVC	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Trade debtors	349	211	349	211
Other taxation and social security	-	1	-	1
Amount due from parent undertaking (non pension)	2	-	2	-
Amount due from parent undertaking (re pension)	2,820	942	2,820	942
Other debtors	102	20	102	20
Accrued income and prepayments	40	59	40	59
	<u>3,313</u>	<u>1,233</u>	<u>3,313</u>	<u>1,233</u>

Included in the amount due from parent undertaking (re pension) is an amount of £2,538,000 due in more than one year

11. Creditors: amounts falling due within one year

	Group		CTVC	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Trade creditors	80	94	80	93
Other taxation and social security	40	27	40	26
Amount due to parent undertaking	-	3	-	3
Accruals and deferred income	24	19	24	19
Other creditors	7	6	7	6
	<u>151</u>	<u>149</u>	<u>151</u>	<u>147</u>

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2010

	Group		CTVC	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
12. Reserves				
General fund				
Net movement in funds for the year	2,118	(841)	2,118	(837)
Defined benefit pension scheme movement in year	(180)	687	(180)	687
Balance bought forward	2,044	2,198	2,048	2,198
Transfer to designated fund	(2,820)	-	(2,820)	-
Balance carried forward	<u>1,162</u>	<u>2,044</u>	<u>1,166</u>	<u>2,048</u>

Designated fund - Pension reserve

Transfer from general fund	2,820	-	2,820	-
Balance bought forward	-	-	-	-
Balance carried forward	<u>2,820</u>	<u>-</u>	<u>2,820</u>	<u>-</u>

The designated fund represents the amount set aside by the Directors to clear the pension scheme deficit over a period of ten years

13. Constitution

CTVC is limited by guarantee not having a share capital

14. Related party transactions

CTVC has taken advantage of the exemptions available in FRS 8 not to report transactions with its parent and subsidiary undertaking

CTVC Limited

Statement of Financial Activities and Income and Expenditure Account For the year ended 31 December 2010

	2010 £'000	2009 £'000
Incoming resources		
Incoming resources from generated funds		
Voluntary income		
Grants	1,500	1,500
Grants - Pension	1,936	-
Gift Aid - Trading subsidiary	-	-
Other incoming resources		
Surplus on disposal of fixed assets	-	5
Investment income	3	4
	<u>3,439</u>	<u>1,509</u>
Incoming resources from charitable activities		
Contributions towards production costs	- Television	744
	- Radio	52
Broadcast fees		110
Education / New Media		227
	<u>1,133</u>	<u>687</u>
Total incoming resources	<u>4,572</u>	<u>2,196</u>
Resources expended		
Charitable activities		
Television production	1,416	1,470
Radio production	143	157
Education / New Media	1,037	775
	<u>2,596</u>	<u>2,402</u>
Governance costs	28	23
Total resources expended	<u>2,624</u>	<u>2,425</u>
Net incoming resources before other recognised (losses) and gains		
Excess of expenditure over income	1,948	(229)
Other recognised gains / (losses)		
Actuarial gains / (losses) on defined benefit pension scheme	170	(608)
Net movement in funds	<u>2,118</u>	<u>(837)</u>
Reconciliation of funds		
Total funds brought forward	(139)	698
Total funds carried forward	<u>1,979</u>	<u>(139)</u>

This page does not form part of the statutory financial statements

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