

CTVC Limited

Company Registration Number: 1375941

Registered Charity Number: 276286

Report of the Trustees and Financial Statements

for the year ended

31 December 2019

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CTVC Limited

Report of The Trustees for the year ended 31 December 2019

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 2019. The report and financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' effective from 1 January 2015 (2nd Edition), the Companies Act 2006, the Charities Act 2011 and applicable UK accounting standards, including FRS 102 (issued March 2018).

Trustee and Council Members:	Committee Membership
Mr. A. E. Cowen, MRICS	
The Rev'd M. A. Booth, MA	(1)
Mr. N. F. Buxton	(2)
Ms. L. Clay	
Mr. D. C. Frearson	
Mr. G. C. King, MA, CA	(1,2)
Mr. J. R. Newton	
Mr. M. D. B. Simon	

Advisors:

Earl St. Aldwyn	(2)
Father Christopher Jamison	(1)
Mr. P. F. Kafno, MA	(1)

Committees:

Management	(1)
Audit	(2)

Registered office:

12 Warwick Square, London, SW1V 2AA

Production and Finance office:

McBeath House, 310 Goswell Road, London, EC1V 7LW

CTVC Limited

Report of The Trustees for the year ended 31 December 2019 (continued)

Reference and Administration (continued)

Company Information:

Chief Executive Officer: Miss. C. C. Matthews

Chief Operating Officer Mr. P. O. Connolly

Professional Advisors:

Auditor: BDO LLP
55 Baker Street, London, W1U 7EU

Bankers: Barclays Bank plc
27 Soho Square, London, W1D 3QR

Solicitors: 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) governed by its Memorandum and Articles of Association, and a registered charity (registered number 276286). As a company limited by guarantee CTVC has no share capital, the liability of members is limited to £1 each in the event of CTVC being wound up.

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 controlled subsidiary of The Rank Foundation. The Rank Foundation prepares consolidated accounts, which incorporate the results of CTVC, and its subsidiary company (Hillside Productions Limited).

Appointments to the Board

The Rank Foundation has the right to appoint a majority of the Trustees and to remove any Trustees it appoints. Additional Trustees can be appointed either by the Board or by the members. Trustees are appointed on the basis of the particular skills required by the Board.

Subsidiary undertaking

CTVC has a wholly-owned trading subsidiary company which is incorporated in the United Kingdom, Hillside Productions Limited (registered number 1782130). Its principle activity is the making of media productions. Any profits of Hillside Productions Limited are donated to CTVC by way of gift aid. A summary of Hillside Productions Limited's trading results for the year is shown in note 18.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in the accounts as Income - Donations" and includes grants.

In relation to the above we confirm that there is no involvement of commercial participators, professional fundraisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the Trustees. Any solicitations would be managed internally.

The charity is not bound by any undertaking to any regulatory scheme and the charity does not consider it necessary to comply with any voluntary fundraising codes of practice.

No complaints have been received in relation to fundraising activities. The terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds we do not have a particular reference to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

Structure, Governance and Management (continued)

Trustees' Responsibilities in relation to the Financial Statements

The Trustees (who are also Directors of CTVC for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of its income and expenditure for that period. In preparing these financial statements, the Trustees 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 accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are 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 Trustees 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

None of the Trustees had any beneficial interest in any contract to which the organisation was party during the year.

Trustees' and Executive remuneration

Trustees' remuneration, if any, is set by the Board and is based on the number of days required to perform their duties and to reflect the skills, knowledge and competences required for the professional services they provide. The Trustees' remuneration is detailed in note 6 of the financial statements.

The remuneration of the senior executive staff is set by the Chairmans Committee of The Rank Foundation and the Management Committee approve the remuneration of the company's other staff. The Trustees and senior executive staff comprise the charity's key management personnel. Remuneration is set in the context of the charity's purposes, aims and values and to reflect the skills, knowledge and competences required for executive roles.

Induction and training

All new Trustees 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 Trustees and senior staff. Formal training is also provided as and when required or appropriate.

Structure, Governance and Management (continued)

The Council of the Association (the Board) and Committees

The Board is responsible for leading and controlling CTVC. The Board achieves this by setting the long-term strategic direction of CTVC, preparing and adopting its medium-term business plans and annual budgets. The Board regularly monitors performance against budget, plans and key performance indicators. The Board is comprised solely of non-executive Trustees.

The Board has delegated specific responsibilities to the Management Committee whose purpose 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.

An Audit Committee creates a formal conduit between the external auditor and the Board and advises on the content and presentation of the annual reports and financial statements. The Committee also reviews audit plans and the external auditor's management letter, and monitors implementation of actions required and satisfies itself as to the external auditor's continuing independence. It has the authority to appoint, and to fix the remuneration of, the external auditor.

The Committees comprise members of the Board and may include advisers appointed for their specialist knowledge. The membership of the Committees is set out on page 1 of this report.

Risk management and Internal control

The Board has overall responsibility for the Group's system of risk management, internal control and for monitoring and reviewing the systems in place. Such systems cannot eliminate all risks, but the Board is satisfied that systems are robust and operate effectively. The principal risks identified and a summary of how they are managed are set out below:

Risk	Management of risk
Loss of CEO or key staff in a small organisation	Good level of salaries and benefits - benchmarked within the industry Documentation of systems and succession planning where possible
Business interruption - Coronavirus COVID19	The aim is to keep disruption to a minimum while preserving cash flows. A new business plan including financial modelling has been approved by the Trustees
IT Hardware Failure	IT support company in place; Appropriate levels of security and control; Off site backups
Failure of RFL investment policy causing loss of grant	RFL has experienced, financially competent Trustees in their investment committee; Professional advisors; Monitoring and control of budgets and spend
Reputation	Careful monitoring of productions in order to recognise and manage potential damaging content
Legislative compliance	Monitoring of legislation; Up to date policies and working practices

Objectives and Activities

Objectives

The objects for which the Association is established are the advancement and promotion of the Christian religion and the advancement of Christian religious education of the public.

In furtherance of the objectives, the following are the lead powers given:

- to advance the public knowledge and understanding of the other historic world faiths with significant communities in the United Kingdom
- to promote the understanding of the shared values, traditions and practices of the Christian faith, and faiths referred to above and their application in a secular environment
- to stimulate and motivate people to think about moral and spiritual issues in their everyday lives

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 Trustees consider how planned activities will contribute to the aims and objectives they have set.

Activities

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.

Television

In order to achieve as wide an audience as possible, programme ideas are submitted to Commissioning Editors of all key channels. CTVC can also enter into co-production agreements with other independent companies and broadcasters in projects that reflect the aims of the charity.

Audio

CTVC produces programmes mainly for the BBC Radio networks. As with television, ideas are sent to Commissioning Editors for consideration. CTVC also produces 'thought-provoking and intelligent' speech radio for its podcast platform, Things Unseen. Other broadcasters, including Premier Radio and RTE, regularly transmit this content.

Digital (Education / New Media / Training)

"TrueTube.co.uk" is a BAFTA award-winning website which provides free films for secondary schools about moral, social and religious issues for use in form times, assemblies, PSHE, Citizenship, and Religious Education lessons. The films are short and ideal for lesson starters, provoking discussion and igniting students' imaginations. Additionally, we also provide teachers' notes, lesson plans, assembly scripts and interactive resources to assist in using the films in a creative way.

Digital content that fulfil the companies remit is also produced for the BBC Bitesize platform.

Achievements and Performance

Achievements

Industry Recognition / Awards:

Success in achieving our objectives can be shown in the quantity and quality of our output across all areas. We are pleased that our work has been recognised in the form of awards:

Audio

- **After Suicide** (BBC World Service) - Association for International Broadcasting Awards - **Highly Commended**
- **Poking the Establishment** (BBC World Service) - One World Media Awards - **Longlisted**

Digital

- **Reply With a Full Stop If You Get This** (TrueTube) - Learning on Screen Awards - Category, Educational Film (from other organisation or individual) - **Winner**
- **Now I Can Breathe** (TrueTube) - Broadcast Digital Awards - Category, Best Short Form Documentary - **Shortlisted**
- **Now I Can Breathe, Hijab & Me, One-to-One, & The Demon's Head** - (TrueTube) - BAFTA Children's - **All Shortlisted**

Performance - Some of our programmes:

Television

- Transmitted in 2019 on BBC2, was **Pilgrimage: The Road to Rome**. The second series of our popular format with an all-star cast including Lesley Joseph, Les Dennis and Stephen K Amos. Living as simple pilgrims, they make a spiritual journey of a lifetime, travelling the famous medieval pilgrimage, the Via Francigena, ending with a private audience with Pope Francis.
- After transmission of the above series, the BBC instantly commissioned series 3, **Pilgrimage: The Road to Istanbul**. Starting in Serbia's capitol Belgrade, a new group of celebrity pilgrims travel through Bulgaria and the mountainous Balkans, before crossing the border into Turkey, with their goal of reaching Istanbul and the magnificent Suleymaniye Mosque. This is for transmission over Easter 2020.
- **Born Mucky: Life on the Farm** was broadcast from January 2020 on Discovery Quest. Our ten part series looks at the reality of life for three modern-day British farmers and their families as they work to protect their land, livestock and legacy across the seasons.

Audio - Radio

- **Our series of Essays for BBC Radio 3, Behold the Man**, went out during Holy Week. Five different Essayists, mostly from non-Christian backgrounds, grappled with paintings at the National Gallery depicting scenes from the last week of Christ's earthly life. Commissioning Editor Matthew Dodd said: "You got an absolutely fantastic group of people together. The series was really ambitious and we really got the stuff."
- **The Right Thing**, our recurrent series on the BBC World Service, featured the stories of two amazing people who are both motivated by their faith: Daryl Davis, an African-American jazz musician who befriends KKK members; and Mary Johnson, who, not only forgave her son's killer, but took him on as a "spiritual son".

Report of The Trustees for the year ended 31 December 2019 (continued)

Achievements and Performance (continued)

Audio - Radio (continued)

- **In the Studio: Imran Qureshi** – Beauty and Carnage, an Arts documentary for the BBC World Service, brought two top international artists together: Pakistani painter Imran Qureshi and French shoe designer Christian Louboutin. The Commissioning Editor, Simon Pitts, loved it: "It's deftly steered through to the meaty stuff in the last third of the program. The knowing joke after the credits is great."

Audio - Podcast (Things Unseen)

- Our Easter drama, **Entombed**, went out as a podcast and was also broadcast on RTE1, Ireland's most popular radio network, on Good Friday. Senior Production Executive Roger Childs was "delighted that RTÉ Radio 1 was able to offer a high-profile slot to the first broadcast of an Easter play by a new Irish playwright".
- **Ramadan 101** brought together a cheerful band of fasting veterans, including the former Lord Mayor of Sheffield, Magid Magid, and Muslim comedian Tez Ilyas, to discuss the audience's burning questions about the Islamic fasting month.

Digital - Education (TrueTube)

TrueTube produced and released the following films; **Me, My Selfie & I** which explored the obsession with social media and was featured across both print and TV news, **Now I Can Breathe** a film about sexual harassment in the school environment and **Hijab and Me**, where three young Muslim women discuss their different approach to wearing this traditional headscarf.

As part of TrueTube's new series, **View From the Classroom**, we produced and released 5 short films on the topics of **Abortion, Britishness, Euthanasia, Intermarriage and Gender**. These classroom-located, talking head films allowed the team to visit schools across the UK and interview young people directly about their opinions on these hot topics.

Digital - New Media and Training

The team continued to produce films for **BBC Bitesize** across a range of topics including 22 short films about **RE** and religious communities across the UK, 12 short films about **Mental Health**, 9 films about **Social Action** and 5 films about **Technology Addiction**. Many of these films were featured beyond the BBC Bitesize pages, including being featured on the front page of the BBC website.

We produced a series of films for the **Red Cross** designed to teach **essential first aid skills to a primary audience**. The contract also included a range of extra content designed specifically for the Red Cross's social media pages.

The team also continued to produce work for various charities and community outreach programmes including the **British Heart Foundation, Southwark Catholic Youth Trust, Million Minutes, KICK and Women in Prison**. Training schemes were delivered for the **British Film Institute**, including programmes in Hull, London, and Turkey, plus a residential documentary course for 40 young filmmakers aged 16-19.

Achievements and Performance (continued)

Future Plans

After a highly successful 2019 across all departments, the staff remain determined and focused to secure existing and new contracts to produce more content across all platforms in furtherance of the companies objectives.

The company remains ambitious and has appointed a Creative Director to oversee the **Television** department and the development of ideas. Having secured a number of commissions during 2019, both the **Radio** and **Digital** teams are looking to build on the success of last year with commissions already won for 2020.

Financial Review

Reserves policy

The group held unrestricted funds of circa £780k and this is part funding the balance of our restricted funds deficit of £1.415m (2018 : surplus £827k). The Pension Reserve of £5.903m represents a funding commitment of £457k per annum over the next 13 years made by The Rank Foundation. This is not available for other operational activities and is therefore shown as a restricted fund in the financial statements. The Defined Benefit Pension Scheme Reserve was in deficit (£7.318m) as a result of the annual valuation. Details of the pension scheme and pension scheme reserves are set out in notes 14 and 16 of the financial statements.

At the year end, cash reserves of £1.093m (2018: £1.036m) were held. The business depends on cash liquidity to function adequately and the Trustees consider the cash balance to be an appropriate measure of its reserves. The intention is to maintain prudent cash reserves consistent with trading conditions. It needs to be sufficient to meet the financial obligations which may include any requirement to "Cash Flow" the initial stages of program production or if required, "Exit" costs, defined as 2 years rent; building dilapidations; and staff leaving costs.

The review of our forecasts for the next 12 months as set out on page 10, has concluded that we may be required to temporarily use some of the cash reserve and the previous desired level of cash held is no longer applicable. Following the easing of restrictions, the Trustees will review and update the reserves policy to reflect the needs of the business at that time.

Operating income and funding

Group income generation increased significantly in the Television and Digital areas compared to 2018. Income received from third parties for Television contributions was £2.226m (2018 : £889k) and for Digital £505k (2018 : £375k). Audio programme contributions was slightly down at £54k (2018 : £62k). See note 18 for the performance of Hillside Productions.

Grants were received from our parent undertaking, The Rank Foundation, of £1.300m (2018: £1.291m). During 2019 this included an additional grant to fund extra administrative costs incurred by the pension scheme. The operational grant has been approved at an increased level of £1.268m for 2020 and £1.293m for 2021 (2019 : £1.243m).

CTVC Limited

Report of The Trustees for the year ended 31 December 2019 (continued)

Financial Review (continued)

Overall performance

The financial performance of the group as detailed in the Statement of Financial Activates has been affected by movements in the pension funds. During the financial year the September 2018 triennial valuation was finalised. The market conditions at that point in time were favourable and the updated deficit valuation was lower than the value of the Pension Reserve granted from The Rank Foundation. As the purpose of the Pension Reserve is to fund the actuarial deficit this has led to a claw back of the grant previously awarded by The Rank Foundation in the current year of £724k. However, the year end valuation of the Defined Benefit Pension Scheme Reserve under the FRS102 accounting rules, was less favourable and resulted in an actuarial loss of £1.346m (2018 : £201k). The combined effect is a loss of £2.070m (2018 : £201k). This has resulted in a negative total fund valuation of £635k (2018 : positive £1.624m).

Money markets have become volatile following the outbreak of Coronavirus COVID19. This will inevitably have an affect on future valuations of the defined pension scheme and may result in significant additional losses during the coming year.

Review

The company has undertaken a review that covers the next 12 months and revised our business model accordingly. The income projections have been adjusted, staffing levels reduced and steps taken to reduce overhead costs where possible. While it is impossible to predict with any real certainty how long the current restrictions will be in force or how long it will take to recover in full, the review and measures taken assures the Trustees that the cash reserve will see the company through this crisis without the need for additional funding.

Going concern

The Rank Foundation Limited has confirmed its grants to support the pension deficit, and for operational activities at current levels until at least March 2022. In light of the continued financial support, and the measures outlined above, the Trustees are satisfied that CTVC is a going concern.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Other

A full copy of the annual report and accounts can be obtained from McBeath House, 310 Goswell Road, EC1V 7LW.

Auditor

The auditors, BDO LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the Board.



Mr A. E. Cowen - Chairman

12 Warwick Square
London
SW1V 2AA

CTVC Limited

Independent Auditor's Report to the Members and Trustees of CTVC Limited

Opinion

We have audited the financial statements of CTVC Limited ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 December 2019 which comprise the consolidated and company statement of financial activities, the consolidated and company balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 December 2019 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

CTVC Limited

Independent Auditor's Report to the Members and Trustees of CTVC Limited (continued)

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: The Report of the Trustees. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified any material misstatement in the Strategic report or the Trustee's report.

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

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

CTVC Limited

Independent Auditor's Report to the Members and Trustees of CTVC Limited (continued)

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities in relation to financial statements, the Trustees (who are also the Directors of the charitable 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

BDO LLP

Fiona Condron (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick

13 May 2020
Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Financial Activities incorporating a Consolidated Income and Expenditure Account for the year ended 31 December 2019

	Note	2019			2018		
		Unrestricted	Restricted	Total Funds	Unrestricted	Restricted	Total Funds
		£'000	£'000	£'000	£'000	£'000	£'000
Income							
Donations							
Grants - General	3	1,300	-	1,300	1,291	-	1,291
- Pension Reserve - reduction	15	-	(724)	(724)	-	-	-
		1,300	(724)	576	1,291	-	1,291
Income from charitable activities							
Contributions towards production costs							
Television		2,226	-	2,226	889	-	889
Audio		54	-	54	62	-	62
Digital		421	84	505	152	223	375
		2,701	84	2,785	1,103	223	1,326
Income from other trading activities							
Commercial productions		2	-	2	15	-	15
Investment income		1	-	1	-	-	-
Other Income							
Sundry sales		1	-	1	1	-	1
		4	-	4	16	-	16
Total Income		4,005	(640)	3,365	2,410	223	2,633
Expenditure							
Costs of raising funds							
Commercial productions		7	-	7	14	-	14
Expenditure on charitable activities							
Television production		2,447	172	2,619	1,484	254	1,738
Audio		394	-	394	324	-	324
Digital		1,120	138	1,258	534	189	723
		3,961	310	4,271	2,342	443	2,785
Total expenditure	4	3,968	310	4,278	2,356	443	2,799
Net income / (expenditure)		37	(950)	(913)	54	(220)	(166)
Actuarial losses on defined benefit pension scheme	14	-	(1,346)	(1,346)	-	(201)	(201)
Net movement in funds		37	(2,296)	(2,259)	54	(421)	(367)
Reconciliation of funds							
Total funds brought forward		743	881	1,624	689	1,302	1,991
Total funds carried forward		780	(1,415)	(635)	743	881	1,624

All income and expenditure derive from continuing activities.

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

Company Statement of Financial Activities incorporating an Income and
Expenditure Account for the year ended 31 December 2019

	Note	2019			2018		
		Unrestricted	Restricted	Total Funds	Unrestricted	Restricted	Total Funds
		£'000	£'000	£'000	£'000	£'000	£'000
Income							
Donations							
Grants - General	3	1,300	-	1,300	1,291	-	1,291
- Pension Reserve - reduction	15	-	(724)	(724)	-	-	-
		1,300	(724)	576	1,291	-	1,291
Income from charitable activities							
Contributions towards production costs							
Television		2,226	-	2,226	889	-	889
Audio		54	-	54	62	-	62
Digital		421	84	505	152	223	375
		2,701	84	2,785	1,103	223	1,326
Investment income		1	-	1	-	-	-
Other Income							
Sundry sales		1	-	1	1	-	1
		2	-	2	1	-	1
Total Income		4,003	(640)	3,363	2,395	223	2,618
Expenditure							
Expenditure on charitable activities							
Television		2,447	172	2,619	1,484	254	1,738
Audio		394	-	394	324	-	324
Digital		1,120	138	1,258	534	189	723
		3,961	310	4,271	2,342	443	2,785
Total expenditure	4	3,961	310	4,271	2,342	443	2,785
Net income / (expenditure)		42	(950)	(908)	53	(220)	(167)
Actuarial losses on defined benefit pension scheme	14	-	(1,346)	(1,346)	-	(201)	(201)
Net movement in funds		42	(2,296)	(2,254)	53	(421)	(368)
Reconciliation of funds							
Total funds brought forward		789	881	1,670	736	1,302	2,038
Total funds carried forward		831	(1,415)	(584)	789	881	1,670


All income and expenditure derive from continuing activities.

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

	Note	2019 Total Funds £'000	2018 Total Funds £'000
Fixed assets			
Tangible assets	9	21	47
Total fixed assets		<u>21</u>	<u>47</u>
Current assets			
Debtors	11	6,132	7,296
Cash at bank and in hand		1,093	1,036
Total current assets		<u>7,225</u>	<u>8,332</u>
Liabilities			
Amounts falling due within one year	12	(563)	(468)
Net current assets		<u>6,662</u>	<u>7,864</u>
Total assets less current liabilities		<u>6,683</u>	<u>7,911</u>
Amounts falling due after more than one year	13	-	(30)
Net assets excluding pension liability		<u>6,683</u>	<u>7,881</u>
Defined benefit pension scheme liability	14	(7,318)	(6,257)
Net (liabilities) / assets including pension liability		<u>(635)</u>	<u>1,624</u>
The funds of the charity			
General Fund	16	780	797
Defined Benefit Pension Scheme Reserve	14 and 16	(7,318)	(6,257)
Pension Reserve	15 and 16	5,903	7,084
Total charity funds		<u>(635)</u>	<u>1,624</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The financial statements on pages 14 to 32 were approved and authorised for issue by the Board of Trustees on 29 April 2020.



Mr A. E. Cowen
Trustee / Chairman

	Note	2019 Total Funds £'000	2018 Total Funds £'000
Fixed assets			
Tangible assets	9	21	47
Shares in subsidiary undertaking	18	75	75
Total fixed assets		96	122
Current assets			
Debtors	11	6,178	7,340
Cash at bank and in hand		884	821
Total current assets		7,062	8,161
Liabilities			
Amounts falling due within one year	12	(424)	(326)
Net current assets		6,638	7,835
Total assets less current liabilities		6,734	7,957
Amounts falling due after more than one year	13	-	(30)
Net assets excluding pension liability		6,734	7,927
Defined benefit pension scheme liability	14	(7,318)	(6,257)
Net (liabilities) / assets including pension liability		(584)	1,670
The funds of the charity			
General Fund		831	843
Defined Benefit Pension Scheme Reserve		(7,318)	(6,257)
Pension Reserve		5,903	7,084
Total charity funds		(584)	1,670

The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The financial statements on pages 14 to 32 were approved and authorised for issue by the Board of Trustees on 29 April 2020.



Mr A. E. Cowen
Trustee / Chairman

CTVC Limited

Consolidated Cash Flow Statement for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	77	484
Cash flows from investing activities			
Purchase of tangible fixed assets		(20)	(9)
Net cash provided by (used in) investing activities		(20)	(9)
Change in cash and cash equivalents in the reporting period		57	475
Cash and cash equivalents at the beginning of the reporting period		1,036	561
Total cash and cash equivalents at the end of the reporting period		1,093	1,036

A. Reconciliation of net expenditure to net cash flow from operating activities

Net expenditure for the period (as per the statement of financial activities)	(913)	(166)
Adjustments for		
Pension finance	172	254
Pension contributions	(457)	(457)
Investment income	-	-
Depreciation charge	45	51
Loss on disposal of fixed assets	1	-
Decrease in debtors	1,164	674
Increase in creditors	65	128
Net cash provided by (used in) operating activities	77	484

1. Accounting policies

a) Basis of preparation

The financial statements comprise the charity and its subsidiary under Charity Commission Schemes or Uniting Directions.

These financial statements are prepared on a going concern basis, under the historical cost convention. The restrictions put in place due to Coronavirus COVID19, have significantly impacted our ability to receive commissions for new work, and the impact of this could represent a material uncertainty in the going concern assessment. A review of the forecasts for the company has been undertaken for the 12 months from date of signing, which included producing a revised business model. The projections have been adjusted to only include income already contracted and deliverable during the current restrictions and therefore within our control, while removing any material uncertainty in the assessment. Staffing levels reduced and steps taken to reduce overhead costs where possible. The Rank Foundation has provided assurances for continued funding for at least the next two years. The Trustees are assured that additional funding will not be required to see the Group through this crisis and the Trustees are therefore satisfied CTVC is a going concern.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The group had a negative balance of funds at the statement date, but The Trustees have taken into account the changing nature of pension scheme fund valuations. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the ongoing support of The Rank Foundation, the charitable group's forecasts and projections and have taken account of pressures on donation and investment income. As the majority of our Trustees are also Trustees of The Rank Foundation, they are aware of The Rank Foundations finances and are able to conclude that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Funds

Unrestricted - General Fund

All transactions not requiring the use of other specific funds are recorded here.

Restricted - General Fund

Contains funds that can only be used for specific purposes.

Restricted - Defined Benefit Pension Scheme Reserve

The liability of the pension scheme as per the FRS 102 valuation as at 31 December 2019.

Restricted - Pension Reserve

The amount set aside by The Rank Foundation to clear the outstanding balance of the pension scheme deficit as defined in the triennial pension valuation. The remaining period is twelve years, eleven months.

CTVC Limited

Notes To The Financial Statements for the year ended
31 December 2019

1. Accounting policies (continued)

c) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

In addition, for income relating to the rendering of services which are partially complete at the balance sheet date. Where the costs incurred for the service and the costs to complete the transaction can be measured reliably, the income recognised in the statement of financial activities is calculated by the percentage completion method.

d) Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

e) 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 programmes and attributable overheads plus an apportionment of overhead, support and governance costs.

Allocation of overhead, support and governance costs

Costs are allocated between the cost of raising funds and charitable activities. Costs relating to charitable activities have been apportioned between activities.

f) Critical accounting estimates and areas of judgement

In the view of the Trustees in applying the accounting policies adopted, with the exception of the Defined Pension Scheme (see below), no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

The annual budget estimates the surplus required from programme funding to supplement the grant in covering salaries and overheads.

Assumptions in relation to the estimate of the Defined Benefit Pension Scheme Reserve obligation such as standard rates of inflation, mortality and discount rate. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Assumptions are based on actuarial advice.

g) Basis of consolidation

The consolidated financial statements comprise CTVC Limited ("CTVC") and its trading subsidiary, Hillside Productions Limited. A summarised profit and loss account and balance sheet of Hillside Productions Limited are given in note 18.

1. Accounting policies (continued)

h) Basis of capitalisation

Amounts capitalised relate to costs of acquisition of assets expected to be used by CTVC in the longer term. Only pieces of equipment that have a cost price of more than £1,000 are capitalised.

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% of cost
Fixtures and fittings:	
Technical	10% to 50% of cost
Office	10% to 20% of cost

Any assets considered impaired are written down to their recoverable amount.

i) Operating Leases

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

Lease incentives:

During a rent-free period, a liability is built up on the balance sheet which is then charged to the statement of financial activities over the life of the lease. Rent free periods are not discounted.

1. Accounting policies (continued)

j) Defined benefit pension scheme

The scheme was closed during 2002. In 2019 the company paid £457,000 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.

k) Defined contribution pension scheme

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

l) Disclosure exemptions

The company has taken advantage of the following disclosure exemptions available in FRS 102 when preparing the separate Financial Statements of the Parent company:

- Financial instrument disclosures
- Key management personnel compensation (but company law disclosures for Directors' remuneration still apply)
- No cash flow statement has been prepared for the parent company

2. Constitution

CTVC is limited by guarantee not having a share capital.

3. 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 provided a guarantee that they will fund the deficit in the Defined Benefit Pension Scheme. In addition, it has confirmed its financial support for operational activities at approved levels until at least March 2022. The operational grants approved to date are £1.268m for 2020 and £1.293m for 2021.

The Rank Foundation Limited prepares consolidated accounts, which incorporate the results of The Rank Foundation and its subsidiary companies which include CTVC and Hillside Productions.

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2019

4. Analysis of total expenditure

2019	Direct Costs £'000	Staff Costs £'000	Occupancy £'000	Depreciation £'000	Other £'000	Support Costs £'000	Total £'000
Cost of Raising Funds	2	-	-	-	5	-	7
Charitable activities							
Television	1,821	321	-	-	211	266	2,619
Radio	37	138	-	-	-	219	394
Digital	455	168	-	-	45	590	1,258
Total Charitable activities	2,313	627	-	-	256	1,075	4,271
Analysis of support costs	-	572	207	45	215	(1,039)	-
Governance costs	-	9	-	-	27	(36)	-
Total Support and Governance costs	-	581	207	45	242	(1,075)	-
Total expenditure	2,315	1,208	207	45	503	-	4,278

2018							
Cost of Raising Funds	9	-	-	-	5	-	14
Charitable activities							
Television	720	300	-	-	291	427	1,738
Radio	43	126	-	-	1	154	324
Digital	252	139	-	-	-	332	723
Total Charitable activities	1,015	565	-	-	292	913	2,785
Analysis of support costs	-	503	175	51	152	(881)	-
Governance costs	-	8	-	-	24	(32)	-
Total Support and Governance costs	-	511	175	51	176	(913)	-
Total expenditure	1,024	1,076	175	51	473	-	2,799

Included above in Charitable activities - Television, is £172k (2018 : £254k), which relates to pension finance costs and an adjustment for past service costs in the restricted funds - Note 14

The expenditure above includes costs incurred by the subsidiary under 'Cost of Raising Funds' and this line is the difference between consolidated and CTVC only expenditure

Total Support and Governance costs have been apportioned over the Charitable activities using staff numbers as the basis for the apportionment

5. Analysis of Governance costs

	2019 £'000	2018 £'000
Auditor's remuneration	14	14
Legal and professional fees	13	10
Senior management- remuneration allocation	9	8
	36	32

Governance costs for the Group include an allocation of the operating costs relating to the CEO and COO. They represent the support necessary to deliver the management and reporting requirements for the Boards within the wider Group.

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2019

6. Trustees and Employees

	2019	2018
Average number employed		
Employed in charitable activities (excluding Trustees)		
Direct charitable	18	15
Support	5	5
Total	23	20
Employees' emoluments		
Number of Staff earning £70,001 to £80,000	1	1
Number of Staff earning £80,001 to £90,000	-	1
Number of Staff earning £90,001 to £100,000	1	-
Number of Staff earning £130,001 to £140,000	1	1

Employer contributions to the money purchase schemes were paid in respect of the above employees £24,002 (2018 : £23,208)

The Key management personnel of the group are the Chief Executive Officer and the Chief Operating Officer (see page 2) whose employee benefits totalled £228,526 (2018 : £215,373)

Staff costs including Trustees' emoluments	£'000	£'000
Wages and salaries	981	850
Redundancy payments	-	9
Social security costs	91	81
Personal Insurance (PHI, DIS)	26	20
Pension costs	110	116
Pension finance income		
	1,208	1,076

Trustees' emoluments

Pension Contributions	Nil	Nil
Emoluments excluding pension scheme contributions		
Chairman	Nil	Nil
G. C. King	16	16
M. A. Booth	10	10
	26	26

Related Party Transactions

The above mentioned Trustees are not entitled to pension benefits and remunerated solely for the professional services they render to CTVC and its subsidiary as allowed for in our Memorandum and Articles of Association.

The other 5 Trustees received no remuneration.

Reimbursement of expenses to 2 Trustees, incurred in relation to duties as Trustees.	1	1
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CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2019

7. Net expenditure

	Group		CTVC	
Net expenditure is stated after charging:	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Depreciation of tangible fixed assets	45	51	45	51
Hire of equipment	3	3	3	3
Rental of premises	119	119	119	119
Auditor's remuneration - audit	15	14	14	13
Auditor's remuneration - other	16	7	13	4
During the year CTVC purchased Trustees' and Officers' insurance	1	1	1	1
Loss on currency exchange rate	6	-	6	-
Deficit on disposal of assets	1	-	1	-

8. Contingent liability

CTVC is included in a UK group registration with its subsidiary undertaking for VAT purposes and is therefore jointly and severally liable for all group companies' unpaid debts in this connection amounting to £18,943 as at 31 December 2019 (2018: Nil).

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2019

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

Group and CTVC

	As at 01 January 2019 £'000	Additions £'000	Disposals £'000	As at 31 December 2019 £'000
Cost				
Plant and equipment	44	7	(8)	43
Fixtures and fittings	118	13	(3)	128
	<u>162</u>	<u>20</u>	<u>(11)</u>	<u>171</u>

Depreciation

Plant and equipment	36	4	(6)	34
Fixtures and fittings	79	41	(4)	116
	<u>115</u>	<u>45</u>	<u>(10)</u>	<u>150</u>

Net book value

Plant and equipment	8	3	(2)	9
Fixtures and fittings	39	(28)	1	12
	<u>47</u>	<u>(25)</u>	<u>(1)</u>	<u>21</u>

Archive

CTVC owns a Film and Television programme archive, which may have potential for further exploration to the benefit of the company. The unique nature of the archive means that it is only in demand intermittently depending on world events etc. We therefore do not think a reasonable/reliable valuation could be performed due to the uncertainty of its use.

10. Commitments

	2019 £'000	2018 £'000
Capital	-	5
Total commitments under non-cancellable operating leases:		
Not later than one year	109	109
later than one year and not later than five years; and	-	109
	<u>109</u>	<u>218</u>

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2019

11. Debtors

	Group		CTVC	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade debtors	45	12	45	12
Amount due from parent undertaking (non pension)	15	54	15	54
Amount due from parent undertaking (re pension)	5,903	7,084	5,903	7,084
Amount due from subsidiary undertaking	-	-	46	44
Other debtors	6	4	6	4
Accrued income and prepayments	163	142	163	142
	<u>6,132</u>	<u>7,296</u>	<u>6,178</u>	<u>7,340</u>

Included in the amount due from parent undertaking (re pension) is an amount of £5,445,917 (2018 : £6,626,500) due in more than one year.

12. Amounts falling due within one year

	Note	Group		CTVC	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Creditors					
Trade creditors		142	94	142	94
Other taxation and social security		19	58	19	58
Accruals and deferred income		209	142	208	138
Other creditors		163	174	25	36
Provision for dilapidations	13	30	-	30	-
		<u>563</u>	<u>468</u>	<u>424</u>	<u>326</u>

13. Amounts falling due after one year

	Note	Group		CTVC	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Provision for dilapidations					
1 January		30	6	30	6
Increase in the year		-	24	-	24
Transfer to amounts falling due within one year	12	(30)	-	(30)	-
31 December		<u>-</u>	<u>30</u>	<u>-</u>	<u>30</u>

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2019

14. 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 2018. The next full valuation will be as at 30 September 2021.

The Rank Foundation has formalised their commitment to the funding of this scheme by putting in place a legal guarantee that has been accepted by the Pensions Regulator. The Charity expects to pay £457,000 in the year to 31 December 2020.

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

Explanation of amounts in the financial statements

Amounts recognised in the Balance Sheet at 31 December 2019

	Value at 31 December 2019 £'000	Value at 31 December 2018 £'000
Fair value of assets	9,947	8,689
Present value of funded obligations	(17,265)	(14,946)
Deficit	(7,318)	(6,257)
Net defined benefit liability	(7,318)	(6,257)

Amounts recognised in the Income and Expenditure account over the year (see note 4)

	31 December 2019 £'000	31 December 2018 £'000
Interest on liabilities	419	395
Interest on assets	(247)	(238)
Past service costs	-	97
Total	172	254

Actuarial losses / (gains) over the year

	31 December 2019 £'000	31 December 2018 £'000
(Gains) / losses on scheme assets in excess of interest	(1,024)	756
Experience losses on liabilities	-	156
Losses / (gains) from changes to demographic assumptions	260	(106)
Losses / (gains) from changes to financial assumptions	2,110	(605)
Total actuarial movement	1,346	201

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2019

14. Pensions (continued)

Explanation of amounts in the financial statements (continued)

Reconciliation of assets and defined benefit obligation

The change in the assets over the period was:

	Value at 31 December 2019 £'000	Value at 31 December 2018 £'000
Fair value of assets at the beginning of the period	8,689	9,135
Interest on assets	247	238
Company contributions	457	457
Benefits paid	(470)	(385)
Return on scheme assets less interest	1,024	(756)
Fair value of assets at the end of the period	9,947	8,689

The change in the Defined Benefit obligation over the period was:

	31 December 2019 £'000	31 December 2018 £'000
Defined Benefit obligation at the beginning of the period	14,946	15,394
Past service costs	-	97
Interest on liabilities	419	395
Benefits paid	(470)	(385)
Experience loss on defined benefit obligation	-	156
Losses / (gains) from changes to demographic assumptions	260	(106)
Losses / (gains) from changes to financial assumptions	2,110	(605)
Fair value of assets at the end of the period	17,265	14,946

Assets

	31 December 2019 £'000	31 December 2018 £'000
Equities	7,356	6,157
Fixed interest	744	831
Alternatives	1,332	1,019
Cash	515	682
Total	9,947	8,689
Actual return on assets	1,217	(518)

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2019

14. Pensions (continued)

The principal actuarial assumptions used to calculate the Scheme's liabilities include:

	2019	2018
Discount rate	2.00%	2.85%
Retail Prices Index (RPI) inflation	3.40%	3.60%
Revaluation in deferment:		
Pre May 2001 benefits	5.00%	5.00%
Post May 2001 benefits	3.40%	3.60%
Pension increases		
GMP earned before 06/04/88	Nil	Nil
GMP earned after 06/04/88	3.00%	3.00%
Pension earned before 01/10/92 in excess of GMP	3.00%	3.00%
Pension earned between 01/10/92 and 31/05/01 in excess of GMP	5.00%	5.00%
Pension earned after 01/06/01	3.30%	3.45%
Life expectancy at age 65 of male aged 45	23.0	23.4
Life expectancy at age 65 of male aged 65	21.6	22.0
Life expectancy at age 65 of female aged 45	25.8	25.4
Life expectancy at age 65 of female aged 65	24.3	23.9

B) Defined contribution schemes

The Company runs an auto-enrolment compliant, salary sacrifice defined contribution pension scheme. The scheme is placed with and administered by The Creative Pension Trust.

	2019 £'000	2018 £'000
Pension charge for the period	67	49
Balance due to the schemes as at the year end	10	6

15. Movement in triennial valuation

	£'000	£'000	£'000
Deficit as per triennial valuation at 30 September 2015	5,908		
Estimate for loss of income	2,090		
		7,998	
Payments made into the fund during 2017 and 2018 (pre valuation)		(800)	
Payments made into the fund during 2018 (post valuation)		(114)	
Balance as per 2018 accounts		7,084	
Payments made into the fund during 2019		(457)	
Pension Reserve - refund		(724)	
			5,903
Deficit as per triennial valuation at 30 September 2018	5,140		
Estimate for loss of income	1,334		
		6,474	
Payments made into the fund during 2018 (as above)		(114)	
Payments made into the fund during 2019		(457)	
Balance carried forward			5,903

The current Schedule of Contributions requires an annual payment of £457,000 for a further 12 years 11 months (November 2032).

CTVC Limited

Notes To The Financial Statements for the year ended (continued) 31 December 2019

16. Reserves

2019	Note	As at 1 January £'000	Income £'000	Expenditure £'000	Other / transfers £'000	As at 31 December £'000
Unrestricted Funds						
General		743	4,005	(3,968)	-	780
Restricted Funds						
General						
Training grants - BFI		17	84	(80)	(21)	-
Sunday Service - Joseph Rank Trust		30	-	(37)	7	-
Lumo project - Jerusalem Trust		7	-	-	(7)	-
Total - General		54	84	(117)	(21)	-
Pension Reserves						
Defined Benefit	14	(6,257)	-	(172)	(889)	(7,318)
Pension Reserve	15	7,084	(724)	-	(457)	5,903
Total - Pensions		827	(724)	(172)	(1,346)	(1,415)
Total - Restricted Funds		881	(640)	(289)	(1,367)	(1,415)
Total Funds		1,624	3,365	(4,257)	(1,367)	(635)

The **British Film institute (BFI)** grant fund film making training courses for young people. The surplus from these activities have been allocated to recovery of CTVC overheads.

A scheme funded by **The Joseph Rank Trust**, The Sunday Service is a web-based platform for streaming live church services. The current funding for the project ended with a deficit. CTVC funded the shortfall.

Jerusalem Trust gave us a grant to assist in the marketing of The Lumo Project. Now complete, the balance of funds has been allocated to recovery of CTVC overheads.

2018		As at 1 January £'000	Income £'000	Expenditure £'000	Other / transfers £'000	As at 31 December £'000
Unrestricted Funds						
General		689	2,410	(2,356)	-	743
Restricted Funds						
General						
European project grants		21	62	(83)	-	-
Training grants		4	96	(83)	-	17
Sunday Service - Joseph Rank Trust		(13)	65	(22)	-	30
Lumo project - Jerusalem Trust		8	-	(1)	-	7
Total - General		20	223	(189)	-	54
Pension						
Defined Benefit	14	(6,259)	-	(254)	256	(6,257)
Pension Reserve	15	7,541	-	-	(457)	7,084
Total - Pensions		1,282	-	(254)	(201)	827
Total - Restricted uFnds		1,302	223	(443)	(201)	881
Total Funds		1,991	2,633	(2,799)	(201)	1,624

CTVC Limited

Notes To The Financial Statements for the year ended (continued)
31 December 2019

17. Analysis of net assets between funds

	Unrestricted	Restricted		Total
	General	General	Pension	
	£'000	£'000	£'000	£'000
2019				
Fixed assets	21	-	-	21
Current assets	1,322	-	5,903	7,225
Creditors: Amounts falling due within one year	(563)	-	-	(563)
Creditors: Amounts falling due after more than one year	-	-	-	-
Defined benefit pension scheme liability	-	-	(7,318)	(7,318)
Total net assets / (liabilities)	780	-	(1,415)	(635)
2018				
Fixed assets	47	-	-	47
Current assets	1,194	54	7,084	8,332
Creditors: amounts falling due within one year	(468)	-	-	(468)
Creditors: Amounts falling due after more than one year	(30)	-	-	(30)
Defined benefit pension scheme liability	-	-	(6,257)	(6,257)
Total net assets	743	54	827	1,624

18. Net income from trading activities of subsidiary

CTVC has a wholly-owned trading subsidiary, Hillside Productions Limited, which is incorporated in England and Wales. The principal activity of Hillside Productions Limited is the making of media productions.

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

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

Profit and loss account

	2019	2018
	£'000	£'000
Turnover	2	15
Cost of sales	(2)	(9)
Gross profit	-	6
Administration expenses	(5)	(5)
Operating (loss) / profit	(5)	1
(Loss) / profit for the year	(5)	1

Summarised balance sheet

Current assets	210	215
Creditors : amounts falling due within one year	(185)	(186)
Net assets	25	29
Equity shareholders' funds	25	29

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

Report of The Trustees for the year ended 31 December 2019 (continued)

19. Post balance sheet events

The Group is facing a period of uncertainty.

As noted previously, the valuations of the Defined Benefit Pension Schemes were produced before the effects of the Coronavirus COVID19 outbreak were known. Markets are volatile and future valuations will be subject to volatility which may result in significant additional losses. Due to the current restrictions on working and travel, securing new business is challenging. The projections for 2020 have been reassessed and there may be a need to utilise the cash reserve to ensure the company can continue to function at a level that will enable it to prepare for when things change and restrictions are lifted.

The Trustees will continue to regularly monitor performance against the revised model and consider if any further measures are required.

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