

Registration number: 1565625

# ITV Properties (Developments) Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2014

WEDNESDAY



\*A4H0VWMR\*

A41

30/09/2015

#311

COMPANIES HOUSE

## **ITV Properties (Developments) Limited**

### **Contents**

Directors' Report	1 to 2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes	7 to 12

## **ITV Properties (Developments) Limited**

### **Directors' Report for the Year Ended 31 December 2014**

The directors of ITV Properties (Developments) Limited ("the Company") present their report and the financial statements for the year ended 31 December 2014.

#### **Principal activity**

The principal activity of ITV Properties (Developments) Limited ("the Company") is to undertake construction and development projects in relation to properties to be used by other companies within the ITV Group. The first development project is to be Media City Manchester, and involves the construction of a new studio facility on land leased from Peel Media Wharfside Limited. The Company intends to make a profit by disposing of the completed development to a fellow ITV Group company for a price in excess of the acquisition, development and associated costs.

#### **Directors of the company**

The directors who held office during the year and up to the date of this report were as follows:

Ian Griffiths  
Andrew Garard  
Jon Huddleston  
Peter Copley

Certain directors benefit from third party qualifying indemnity provisions in place during the financial year and at the date of this report.

#### **Results**

The results for the Company show a loss for the period of £367,000 (2013: loss of £2,766,000). At the balance sheet date the Company had net liabilities of £4,489,000 (2013: net liabilities £4,122,000).

#### **Dividends**

The directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 31 December 2014 (2013: £Nil).

#### **Going concern**

In preparing the financial statements of ITV Properties (Developments) Limited, the directors have made an assessment of the next 12 months performance from signing, and consider preparation on a going concern basis to be appropriate (see note 1).

#### **Disclosure of information to the auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Reappointment of auditor**

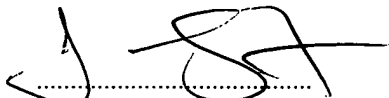
KPMG Audit Plc resigned as auditor during the year pursuant to section 516 of the Companies Act 2006. The Directors have appointed KPMG LLP as auditor of the Company to fill the casual vacancy as auditor under section 485 of the Companies Act 2006.

**ITV Properties (Developments) Limited**  
**Directors' Report for the Year Ended 31 December 2014**

**Small company provisions statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on ~~29/09/2015~~ 29/09/2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'I. Griffiths', written over a horizontal dotted line.

Ian Griffiths  
Director

**Registered office**      The London Television Centre  
Upper Ground  
London  
SE1 9LT

## **ITV Properties (Developments) Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the results of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are generally responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **ITV Properties (Developments) Limited Independent Auditor's Report**

We have audited the financial statements of ITV Properties (Developments) Limited for the year ended 31 December 2014, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss 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.

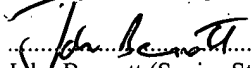
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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

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



John Bennett (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

Date: 29/09/2015

**ITV Properties (Developments) Limited**  
**Profit and Loss Account for the Year Ended 31 December 2014**

	Note	2014 £ 000	2013 £ 000
Administrative expenses		(1,305)	(1,999)
Other operating income		<u>2,486</u>	<u>-</u>
Operating profit/(loss)	2	1,181	(1,999)
Other interest receivable and similar income	6	-	179
Interest payable and similar charges	7	<u>(1,548)</u>	<u>(946)</u>
Loss on ordinary activities before taxation		(367)	(2,766)
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
Loss for the financial year		<u><u>(367)</u></u>	<u><u>(2,766)</u></u>

Operating profit derive wholly from continuing operations.

The Company has no recognised gains or losses for the year other than the results above.

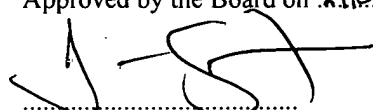
A note on historical cost, profits and losses has not been included as part of these financial statements since the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis.

**ITV Properties (Developments) Limited**  
**(Registration number: 1565625)**  
**Balance Sheet as at 31 December 2014**

	Note	2014 £ 000	2013 £ 000 (Restated)
Tangible fixed assets	9	1,546	-
<b>Current assets</b>			
Stock	10	42,864	46,726
Debtors	11	<u>681</u>	<u>22</u>
		43,545	46,748
Creditors: Amounts falling due within one year	12	<u>(37,580)</u>	<u>(38,814)</u>
Net current assets		<u>5,965</u>	<u>7,934</u>
Total assets less current liabilities		7,511	7,934
Creditors: Amounts falling due after more than one year	13	<u>(12,000)</u>	<u>(12,056)</u>
Net liabilities		<u>(4,489)</u>	<u>(4,122)</u>
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Profit and loss account		<u>(4,489)</u>	<u>(4,122)</u>
Shareholders' deficit	15	<u>(4,489)</u>	<u>(4,122)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on ~~29/09/2015~~ and signed on its behalf by:

  
.....  
Ian Griffiths  
Director



# ITV Properties (Developments) Limited

## Notes

### 1 Accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### Operating Costs

Operating costs represent the cost of works on the Media City development which cannot be capitalised and have been written off to the profit and loss.

#### Other operating income

Operating lease incentives have been recognised in operating income when billed on completion of the studio facilities.

#### Going concern

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. As such, the Company is dependant for its working capital on funds provided to it by ITV plc, the Company's ultimate parent company. ITV plc has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. As at the date of approval of these financial statements, the directors of the Company have no reason to believe that this financial support will not be forthcoming in the event that it is required.

On this basis, and on their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue in existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and machinery	Straight line up to 8 years

#### Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Deferred tax assets are recognised to the extent that it is more likely than not that the asset will be recovered.

#### Stock

Stock represents studio facilities under construction, for future sale to another Group company. Stock is carried at the lower of cost and net realisable value. Net realisable value requires judgement in estimating the future net realisable proceeds and costs to complete for each trading property. Stock held as a current asset in the balance sheet represent those that are being developed with a view to subsequent resale.

# ITV Properties (Developments) Limited

## Notes

### Restatement

In 2014, the Directors have reassessed the classification of assets under construction. The principal activity of the company continues to be the construction and development of studio facilities. Upon completion, the company will dispose of the developed facilities to a fellow group subsidiary; accordingly, the Directors view this to be a transaction in the ordinary course of business of the entity and therefore the developed asset should be held as stock, and valued at the lower of cost and net realisable value. The 2013 comparative has been restated to reflect this position and there is no impact of the results for the year ended 31 December 2013 or any previously reported period.

### 2 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2014	2013
	£ 000	£ 000
Depreciation of owned assets	<u>148</u>	<u>-</u>

### 3 Auditor's remuneration

The auditor's remuneration of £500 was borne by another Group company (2013:£500).

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, ITV plc.

### 4 Particulars of employees

There were no staff and therefore no staff costs during the year (2013 : £Nil)

### 5 Directors' remuneration

No director received any remuneration for their services to the Company (2013 : £Nil)

### 6 Other interest receivable and similar income

	2014	2013
	£ 000	£ 000
Interest receivable from group undertakings	<u>-</u>	<u>179</u>

### 7 Interest payable and similar charges

	2014	2013
	£ 000	£ 000
Interest on loans from group undertakings	<u>1,548</u>	<u>946</u>

# **ITV Properties (Developments) Limited** **Notes**

## **8 Taxation**

### **Tax on loss on ordinary activities**

	<b>2014</b>	<b>2013</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current tax</b>		
Corporation tax charge	-	-
Total current tax	-	-
Total tax on loss on ordinary activities	-	-

### **Factors affecting current tax charge for the year**

The tax on loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK (2013 - lower than the standard rate of corporation tax in the UK) of 21.5% (2013 - 23.25%).

The differences are reconciled below:

	<b>2014</b>	<b>2013</b>
	<b>£ 000</b>	<b>£ 000</b>
Loss on ordinary activities before tax	(367)	(2,766)
Corporation tax at standard rate	(79)	(643)
Unrelieved tax losses carried forward	79	643
Total current tax	-	-

### **Factors that may affect future tax charges**

The corporation tax rate of 21.5% reflects the reduction in the rate from 23% to 21% effective from 1 April 2014.

The Finance Act 2013, which provides for a reduction in the main rate of corporation tax from 21% to 20% effective from 1 April 2015, was substantively enacted on 17 July 2013.

# **ITV Properties (Developments) Limited** **Notes**

## **9 Tangible fixed assets**

	<b>Plant and machinery £ 000</b>
<b>Cost</b>	
At 1 January 2014	-
Additions	<u>1,694</u>
At 31 December 2014	<u>1,694</u>
<b>Depreciation</b>	
At 1 January 2014	-
Charge for the year	<u>148</u>
At 31 December 2014	<u>148</u>
<b>Net book value</b>	
At 31 December 2014	<u><u>1,546</u></u>

Assets under the course of construction were disclosed as non current assets last year. These represent studio facilities under construction and have been restated to work in progress - trading properties during the year as they are expected to be sold to ITV Studios Limited during 2015 (note 10).

## **10 Stocks**

	<b>2014 £ 000</b>	<b>2013 £ 000 (Restated)</b>
Work in progress	<u>42,864</u>	<u>46,726</u>

## **11 Debtors**

	<b>2014 £ 000</b>	<b>2013 £ 000</b>
Amounts owed by group undertakings	515	22
Other debtors	<u>166</u>	<u>-</u>
	<u><u>681</u></u>	<u><u>22</u></u>

# ITV Properties (Developments) Limited

## Notes

### 12 Creditors: Amounts falling due within one year

	2014 £ 000	2013 £ 000
Trade creditors	-	308
Amounts owed to group undertakings	36,538	31,583
Other creditors	1,042	6,923
	<u>37,580</u>	<u>38,814</u>

Included in amounts owed to group undertakings as at 31 December is the in house bank creditor of £36,421,439 (2013: £9,041,398) which has associated interest of Bank of England Base Rate plus 500bp. Amounts owed to group undertakings are repayable on demand.

### 13 Creditors: Amounts falling due after more than one year

	2014 £ 000	2013 £ 000
Amounts owed to group undertakings.	<u>12,000</u>	<u>12,056</u>

Included in amounts owed to group undertakings is an amount of £12,000,000 which has associated interest of Bank of England Base Rate plus 500bp.

### 14 Share capital

	2014 £	2013 £
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 15 Reconciliation of movement in shareholders' funds

	2014 £ 000	2013 £ 000
Loss attributable to the members of the company	<u>(367)</u>	<u>(2,766)</u>
Shareholders' deficit at 1 January	<u>(4,122)</u>	<u>(1,356)</u>
Shareholders' deficit at 31 December	<u>(4,489)</u>	<u>(4,122)</u>

### 16 Contingent liabilities

Under a group registration, the Company is jointly and severally liable for VAT. The amount guaranteed is £58,000,000 (2013 - £51,000,000).

In the opinion of the directors, adequate allowance has been made in respect of this matter.

### 17 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £Nil (2013 - £1,819,419).

## **ITV Properties (Developments) Limited**

### **Notes**

#### **18 Related party transactions**

The Company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

#### **19 Control**

The Company is controlled by Carlton Communications Limited. The ultimate controlling party is ITV plc. At 31 December 2014 the Company's immediate parent company was Carlton Communications Limited, a company registered in England and Wales and the Company's ultimate parent company was ITV plc, a company registered in England and Wales.

The largest and smallest group in which the results of the Company were consolidated was that headed by ITV plc. The consolidated accounts of ITV plc are available to the public and may be obtained from [www.itvplc.com](http://www.itvplc.com) or the Company Secretary, The London Television Centre, Upper Ground, SE1 9LT.