

Registration number: 03089273

ITV Ventures Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021

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ITV Ventures Limited

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ITV Ventures Limited

Directors' Report for the Year Ended 31 December 2021

The Directors present their report and the unaudited financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of ITV Ventures Limited ("the Company") continues to be the production, marketing and distribution of titles on DVD. The Company also licenses a range of brands for book publishing. The Company ceased to exploit digital rights and brands for worldwide merchandise during the prior year due to restructuring.

Directors of the Company

The Directors of the Company, who were in office during the year and up to the date of signing the financial statements, were as follows:

D T R Walker

S Suleman

Directors' liabilities

The Directors benefit from third party insurance provisions in place during the financial year and at the date of this report.

Dividends

The Directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 31 December 2021 (2020: £Nil).

Going concern

ITV plc has indicated that for at least twelve months from the date of approval of these financial statements, it intends to continue to make available such funds as are needed by the Company for the period covered by the going concern assessment.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least twelve months from the date of this report. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements (see note 1).

Fair review of the business

The results for the Company show a profit for the year of £43,000 (2020: £1,259,000). At the Statement of Financial Position date, the Company had net assets of £70,352,000 (2020: £70,285,000).

The reduction in profit continues to be attributable to the fact that brand licensing rights ceased to be exploited by the Company during the prior year, as well as the general market decline in physical DVD sales.

Future developments

The Company continues to respond to the slow decline in the physical UK DVD market by focusing on maximising profit from sales of the existing catalogue, and distributing new appealing content where it is deemed appropriate from a financial and operational point of view.

ITV Ventures Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Audit exemption

ITV Ventures Limited, as a guaranteed subsidiary of ITV plc, has met the criteria set out in section 479A-479C of the Companies Act 2006, and is claiming exemption from the audit of their individual financial statements afforded by those sections for the year ended 31 December 2021.

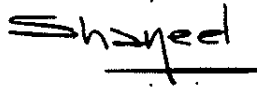
Small companies provision statement

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

ITV Ventures Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Approved by the Board on 31/03/2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'S Suleman', with a horizontal line drawn underneath the name.

.....
S Suleman
Director

Registered office
ITV White City
201 Wood Lane
London
W12 7RU

ITV Ventures Limited

Income Statement for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Revenue	3	3,287	4,488
Cost of sales		<u>(3,259)</u>	<u>(2,913)</u>
Gross profit		28	1,575
Administrative expenses		(433)	(264)
Impairment		<u>-</u>	<u>(266)</u>
Operating (loss)/profit	4	(405)	1,045
Finance income	8	<u>462</u>	<u>582</u>
Profit before tax		57	1,627
Taxation	9	<u>(14)</u>	<u>(368)</u>
Profit for the year		<u><u>43</u></u>	<u><u>1,259</u></u>

The above results were derived from continuing operations.

The Company has no other comprehensive income for the year, other than the above.

The notes on pages 7 to 21 form an integral part of these financial statements.

ITV Ventures Limited

(Registration number: 03089273)

Statement of Financial Position as at 31 December 2021

	Note	2021 £ 000	2020 £ 000
Non-current assets			
Deferred tax assets	11	65	51
Current assets			
Trade and other receivables	12	77,847	81,935
Contract assets	13	147	32
		<u>77,994</u>	<u>81,967</u>
Current liabilities			
Trade and other payables	14	(7,707)	(11,733)
Net current assets		<u>70,287</u>	<u>70,234</u>
Net assets		<u>70,352</u>	<u>70,285</u>
Equity			
Share capital	17	1,315	1,315
Capital redemption reserve		11,598	11,598
Retained earnings		<u>57,439</u>	<u>57,372</u>
Total equity		<u>70,352</u>	<u>70,285</u>

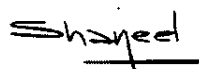
These financial statements have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

For the financial year ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 21 were approved by the Board of Directors on 31/03/2023 and signed on its behalf by:



.....
S Suleman
Director

The notes on pages 7 to 21 form an integral part of these financial statements.

ITV Ventures Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total equity £ 000
Balance at 1 January 2021	1,315	11,598	57,372	70,285
Profit for the year	-	-	43	43
Tax on items taken directly to equity	-	-	24	24
Balance at 31 December 2021	<u>1,315</u>	<u>11,598</u>	<u>57,439</u>	<u>70,352</u>

	Share capital £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total equity £ 000
Balance at 1 January 2020	1,315	11,598	56,092	69,005
Profit for the year	-	-	1,259	1,259
Tax on items taken directly to equity	-	-	21	21
Balance at 31 December 2020	<u>1,315</u>	<u>11,598</u>	<u>57,372</u>	<u>70,285</u>

The notes on pages 7 to 21 form an integral part of these financial statements.

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

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

Basis of preparation

ITV Ventures Limited (the "Company") is a private company, limited by shares, incorporated, domiciled and registered in England in the UK. The registered number is 03089273 and the registered address is ITV White City, 201 Wood Lane, London, W12 7RU.

The Company is a qualifying entity as it is a member of the ITV plc Group where ITV plc, the ultimate parent, prepares publicly available consolidated financial statements. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101').

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Measurement convention

The financial statements are prepared on the historical cost basis under the historical cost convention.

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries including the requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel covering paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- Disclosures of transactions with a management entity that provides key management personnel services to the Company;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures regarding leases; and
- Disclosures in respect of revenue being the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with customers.

As the consolidated financial statements of ITV plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to apply the reduced disclosure framework of FRS 101 in its next financial statements.

Changes in accounting policy

New standards, interpretations and amendments effective

There are no amendments to accounting standards, or IFRIC interpretations, that are effective for the year ended 31 December 2021 that have a material impact on the Company's financial statements.

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Going Concern

The financial statements have been prepared on a going concern basis, which the Directors believe to be appropriate for the following reasons.

The Company participates in the ITV plc intra-group cash pool arrangement. The pool applies to bank accounts where there is an unconditional right of set off and involves the daily closing cash position for participating subsidiaries whether positive or negative, being cleared to £Nil via daily bank transfers to / from ITV plc. The Company is therefore dependent on ITV plc for its working capital. 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.

The Directors have prepared a going concern assessment covering a period of 12 months from the date of approval of these financial statements which indicates that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds through funding from its ultimate parent company, ITV plc, to meet its liabilities as they fall due for that period. *The Directors will continue to monitor the changing impact of COVID-19 and the Company's performance.*

ITV plc has indicated that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company.

On this basis, and on their assessment of the Company's financial position, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of this report. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when performance obligations have been satisfied and for the Company this is when the goods or services have transferred to the customer and the customer has control of these. The Company's activities are described in detail below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- Physical DVD revenue is attributable to the production, marketing and distribution of video products on DVD in the UK and Ireland. It is recognised as the goods are sold.
- Licensing revenue relates to the worldwide licensing of a range of brands for use on merchandise and by book publishers. It also includes the sub-licensing of DVD rights for titles not exploited in-house.
- Digital revenue is earned on the sale of rights for the purposes of exploiting video on demand services.

Both licensing and digital revenue is recognised at the point at which the right sold is available for exploitation by the licensee. The right is available when a binding commitment exists with a customer, the product is available for exploitation and the license period has started. Royalties receivable for brand licensing in excess of *minimum guarantees are recognised at the point at which such royalties become due and payable to the Company.*

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Foreign currency transactions and balances

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Income Statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the Income Statement within 'Other (expenses)/income'.

Finance income and costs

Finance income and costs comprise interest income on funds invested and interest expense on borrowings. Interest income and expense is recognised as it accrues in profit or loss, using the effective interest method.

Tax

The tax charge for the period is recognised in the Income Statement and directly in equity, according to the accounting treatment of the related transactions. The tax charge comprises both current and deferred tax. The calculation of the Company's tax charge involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be fully determined until a resolution has been reached by the relevant tax authority.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment in respect of previous years.

The Company recognises liabilities for anticipated tax issues based on estimates and judgement of the additional taxes that are likely to become due. Amounts are accrued based on management's interpretation of specific tax law and the likelihood of settlement. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

The Company is a member of the ITV plc tax group. ITV introduced a policy of paying for losses available for group tax relief across UK entities. This subsequently creates a group relief receivable within trade and other receivables or a group relief payable within trade and other payables.

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Tax (continued)

Deferred tax arises due to certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes.

The following temporary differences are not provided for:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred tax is calculated using tax rates that are enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference. Recognition of deferred tax assets, therefore, involves judgement regarding the timing and level of future taxable income.

Deferred tax assets and liabilities are disclosed net to the extent that they relate to taxes levied by the same authority and the Company has the right of set-off.

Current / non-current distinction

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or use in, the course of the Company's operating cycle. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of the Company's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

Goodwill

Goodwill represents the future economic benefits that arise from assets that are not capable of being individually identified and separately recognised. Goodwill is stated at its recoverable amount being cost less any accumulated impairment losses.

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Impairment

Goodwill is not subject to amortisation and is tested annually for impairment and when circumstances indicate that the carrying value may be impaired.

Other intangible assets are subject to amortisation and are reviewed for impairment whenever events or changes in circumstances indicate that the amount carried in the Statement of Financial Position is less than its recoverable amount.

Determining whether the carrying amount of intangible assets has any indication of impairment requires judgement. *Any impairment is recognised in the Income Statement.*

An impairment test is performed by assessing the recoverable amount of each asset, or for goodwill the cash-generating unit ('CGU'), or group of CGUs, related to the goodwill. Total assets (which include goodwill) are grouped at the lowest levels for which there are separately identifiable cash flows.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use is based on the present value of the future cash flows expected to arise from the asset.

In testing for impairment, estimates are used in deriving cash flows and the discount rates. Such estimates reflect current market assessments of the risks specific to the asset and the time value of money. The estimation process is complex due to the inherent risks and uncertainties associated with long-term forecasting. If different estimates of the projected future cash flows or a different selection of an appropriate discount rate or long-term growth rate were made, these changes could materially alter the projected value of the cash flows of the asset, and as a consequence materially different amounts would be reported in the financial statements.

Impairment losses in respect of goodwill cannot be reversed. In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Contract assets and liabilities

Contract assets (accrued income) primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. Production work in progress is treated as a contract asset until the point the programme is completed.

Contract liabilities (deferred income) primarily relate to the consideration received from customers in advance of transferring a good or service.

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Trade and other receivables

Trade receivables are recognised initially at the value of the invoice sent to the customer and subsequently at the amounts considered recoverable (amortised cost). Where payments are not due for more than one year, they are shown in the financial statements at their net present value to reflect the economic cost of delayed payment. The Company provides goods and services to substantially all of its customers on credit terms.

The credit risk management practices of the Company include internal review and reporting of the ageing of trade and other receivables by days past due. The Company applies the IFRS 9 simplified approach in measuring expected credit losses, which use a lifetime expected credit loss allowance for all trade receivables.

To measure expected credit losses, trade receivables are grouped by shared credit risk characteristics and days past due. In addition to the expected credit losses, the Company may make additional provisions for the receivables of particular customers if the deterioration of financial position was observed.

Amounts due (to) from group undertakings

The Company participates in the intra-group cash pool arrangement with other 100% owned UK subsidiaries of the ITV Group. The pool applies to bank accounts where there is an unconditional right of set off and involves the daily closing cash position for participating subsidiaries whether positive or negative, being cleared to £nil via daily bank transfers to/from ITV plc. These daily transactions create a corresponding intercompany creditor or debtor which can result in significant movements in amounts owed to and from subsidiary undertakings in the Company Statement of Financial Position.

Trade and other payables

Trade payables are recognised at the value of the invoice received from a supplier. The carrying value of current and non-current trade payables is considered to approximate fair value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a post-employment benefit plan under which the Company pay fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Income Statement in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

For the current year, there were no significant judgements or estimates that require disclosure.

3 Revenue

The analysis of the Company's revenue for the year, from continuing operations, is as follows:

	2021 £ 000	2020 £ 000
Physical DVD revenue	3,215	3,937
Brand licensing revenue	72	546
Digital revenue	-	5
	<u>3,287</u>	<u>4,488</u>

The analysis of the Company's revenue for the year, by market, is as follows:

	2021 £ 000	2020 £ 000
UK	3,265	4,313
Rest of world	22	175
	<u>3,287</u>	<u>4,488</u>

Revenue is stated net of VAT.

4 Operating (loss)/profit

Arrived at after charging:

	2021 £ 000	2020 £ 000
Foreign exchange losses	8	4
Goodwill impairment	-	266

The goodwill impairment in the prior year related to licensing which had been acquired in 2004. The impairment charge was due to the cessation of exploitation of digital and brand licensing rights for merchandise in ITV Ventures Limited during the prior year.

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

5 Staff costs

The aggregate payroll costs were as follows:

	2021 £ 000	2020 £ 000
Wages and salaries	297	238
Social security costs	36	28
Other pension costs	39	40
	<u>372</u>	<u>306</u>

The monthly average number of persons employed by the Company during the year, analysed by category, was as follows:

	2021 No.	2020 No.
Administration and support	2	2
Sales, marketing and distribution	1	1
	<u>3</u>	<u>3</u>

6 Directors' remuneration

In the year to 31 December 2021, 2 Directors (2020: 2) were remunerated by other ITV plc Group companies. These Directors received no remuneration in respect of their qualifying services to the Company (2020: £Nil).

7 Auditor's remuneration

Auditor's remuneration for the year was £Nil as the entity has claimed an exemption from audit for the year ended 31 December 2021. The auditor's remuneration of £4,092 in the prior year was borne by another group Company.

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.

8 Finance income

	2021 £ 000	2020 £ 000
Interest receivable from group undertakings	<u>462</u>	<u>582</u>

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

9 Taxation

Tax charged/(credited) in the Income Statement:

	2021 £ 000	2020 £ 000
Current taxation		
UK corporation tax	-	-
Group relief payable	3	352
Prior year adjustment - group relief payable	1	-
	<u>4</u>	<u>352</u>
Total current tax	4	352
Deferred taxation		
Arising from origination and reversal of temporary differences	(3)	21
Arising from changes in tax rates and laws	(3)	(5)
Deferred tax adjustment to prior periods	16	-
	<u>10</u>	<u>16</u>
Total deferred taxation	14	368
Tax expense in the Income Statement	<u>14</u>	<u>368</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020: higher than the standard rate of corporation tax in the UK) of 19% (2020: 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Profit before tax	<u>57</u>	<u>1,627</u>
Corporation tax at standard rate of 19% (2020: 19%)	11	309
Effect of income exempt from taxation	(10)	42
Group relief claimed	(3)	(352)
Payment for group relief	3	352
Deferred tax credit relating to changes in tax rates or laws	(12)	(5)
Deferred tax credited to equity	8	22
Prior year adjustment - group relief payable	1	-
Deferred tax adjustment to prior periods	16	-
Total tax charge	<u>14</u>	<u>368</u>

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

9 Taxation (continued)

Factors Impacting Future Tax Charges

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was announced on 3 March 2021 and the rate change was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly and the impact on deferred tax for this entity is forecast to be a £3k credit through the Income Statement and a £9k credit through equity.

10 Intangible assets

	Goodwill £ 000
Cost or valuation	
At 1 January 2021	<u>266</u>
At 31 December 2021	<u>266</u>
Accumulated amortisation and impairment	
At 1 January 2021	<u>266</u>
At 31 December 2021	<u>266</u>
Carrying amount	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

The intangible assets carrying amount was fully impaired during the prior year, due to the cessation of exploitation of digital and brand licensing rights for merchandise in ITV Ventures Limited.

11 Deferred tax assets

Deferred tax

Deferred tax assets

	Asset £ 000
2021	
Accelerated tax depreciation	3
Share-based payment	<u>62</u>
	<u>65</u>

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

11 Deferred tax assets (continued)

	Asset £ 000
2020	
Accelerated tax depreciation	4
Share-based payment	47
	<u>51</u>

Deferred tax movement during the year:

	At 1 January 2021 £ 000	Recognised in income £ 000	Recognised in equity £ 000	At 31 December 2021 £ 000
Accelerated tax depreciation	4	(1)	-	3
Share-based payment	47	(9)	24	62
Net tax assets/(liabilities)	<u>51</u>	<u>(10)</u>	<u>24</u>	<u>65</u>

Deferred tax movement during the prior year:

	At 1 January 2020 £ 000	Recognised in income £ 000	Recognised in equity £ 000	At 31 December 2020 £ 000
Accelerated tax depreciation	4	-	-	4
Share-based payment	41	(16)	22	47
Net tax assets/(liabilities)	<u>45</u>	<u>(16)</u>	<u>22</u>	<u>51</u>

12 Trade and other receivables

	2021 £ 000	2020 £ 000
Trade receivables	1,789	2,045
Amounts due from group undertakings	76,057	79,890
Prepayments	<u>1</u>	<u>-</u>
	<u>77,847</u>	<u>81,935</u>

Included in amounts due from group undertakings are amounts of £75,596,673 (2020: £79,418,434) which relate to balances associated with the ITV plc intra-group treasury arrangement. This balance is repayable on demand and attracts interest of 0.5% (2020: 0.5%) above base rate per annum.

Included in amounts due from group undertakings is an amount of £460,566 (2020: £472,266) which represents intercompany trading, has no associated interest and is repayable on demand.

The carrying value of trade and other receivables is considered to approximate fair value.

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

13 Contract assets

	2021 £ 000	2020 £ 000
Contract assets	147	32

14 Trade and other payables

	2021 £ 000	2020 £ 000
Trade payables	19	105
Accrued expenses	423	264
Amounts due to group undertakings	694	5,667
Other payables	6,215	5,345
Group relief payable	356	352
	<u>7,707</u>	<u>11,733</u>

Included in amounts due to group undertakings is an amount of £694,013 (2020: £5,667,154) which represents intercompany trading, has no associated interest and is repayable on demand.

The carrying value of trade and other payables is considered to approximate fair value.

15 Pension and other schemes

Defined contribution pension scheme

Obligations under the Group's defined contribution schemes are recognised as an operating cost in the Income Statement as incurred. For year, total contributions expensed were £38,777 (2020: £39,499).

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

16 Share-based payments

Scheme description

The Company utilises share award schemes as part of its employee remuneration packages, and therefore operates a number of share-based compensation schemes, namely the Deferred Share Award (DSA), Performance Share Plan (PSP), Long Term Incentive Plan (LTIP) and Save As You Earn (SAYE) schemes.

A transaction will be classed as share-based compensation where the Company receives services from employees and pays for these in shares or similar equity instruments. If the Company incurs a liability based on the price or value of the shares, this will also fall under a share-based transaction. The Company recognises the retained earnings impact of the share-based compensation for the Group as awards are settled in ITV plc shares. The cost of providing those awards is recognised as a cost of investment to the subsidiaries that receive the service from employees. *The fair value of the equity instrument granted is measured at grant date and spread over the vesting period via a charge to the income statement with a corresponding increase in equity.*

The fair value of the share options and awards is measured using either market price at grant date or, for the SAYE scheme, a Black-Scholes model, taking into account the terms and conditions of the individual scheme.

Vesting conditions are limited to service conditions and performance conditions. For performance-based schemes, the relevant performance measures are projected to the end of the performance period in order to determine the number of options expected to vest. The estimate is then used to determine the option fair value, discounted to present value. The Company revises its estimates of the number of options that are expected to vest, including an estimate of forfeitures at each reporting date. The impact of the revision to original estimates, if any, is recognised in the income statement, with a corresponding adjustment to equity.

The weighted average share price of share options exercised during the year was 72.3 pence (2020: 87.47 pence) (excluding nil priced share options). The options outstanding at the year end have an exercise price in the range of nil to 162.55 pence (2020: nil to 206.83 pence) and a weighted average contractual life of two years (2020: two years) for all the schemes in place for the Group.

17 Share capital

Allotted, called up and fully paid

	No.	2021 £	No.	2020 £
Ordinary shares of £1 each	1,315,457	1,315,457	1,315,457	1,315,457

18 Contingent liabilities

Under a Group registration the Company is jointly and severally liable for VAT at 31 December 2021 of £53 million (2020: £124 million).

ITV Ventures Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

19 Parent of group in whose consolidated financial statements the Company is consolidated

The smallest and largest group in whose consolidated financial statements the Company's financial statements are consolidated is *ITV plc*.

These financial statements are available upon request from ITV White City, 201 Wood Lane, London, W12 7RU.

20 Parent and ultimate parent undertaking

The Company's immediate parent is Carlton Content Holdings Limited.

The ultimate parent is *ITV plc*. *ITV plc* is incorporated in the UK.

The most senior parent entity producing publicly available financial statements is *ITV plc*. These financial statements are available upon request from ITV White City, 201 Wood Lane, London, W12 7RU.

The ultimate controlling party is *ITV plc*.