

Company Registration No. 3807324

ITN Archive Limited

Annual Report and Financial Statements

31 December 2014

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Report and financial statements 2014

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Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2014.

This Directors' report has been prepared in accordance with the provisions applicable to companies subject to the small companies' exemption.

Principal activities

The principal activities of the Company are to sell and market the television archive of Independent Television News Limited outside of the UK along with any other archives that Independent Television News Limited has the right to sell. The Directors expect no significant change to the activities of the Company.

Results and dividends

The Company's results are set out on page 6, the Company has made a profit in the year to 31 December 2014. 2013 was a landmark year for ITN Archive Limited with the largest ever archive deal in ITN's history, a multi-million pound contract signed with the Qatar Foundation. The deal was delivered over both 2013 and 2014 and is now complete. The Directors do not recommend the payment of a dividend (2013: £nil).

Going concern

As highlighted on the balance sheet, the Company has positive cash balances with which to meet its day to day working capital requirements. The financing of the Company's activities is provided by amounts owed to the parent company. The continuing support of the parent has been confirmed through the issue of a legally binding letter of support, confirming that it will not seek repayment of these amounts for at least 12 months from the date of signature of these financial statements. There are no other risks or third party indemnities that the Directors are aware of.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Board of Directors

The Directors who served throughout the year are:

J M Hardie
J H Scorer

Statement on information given to auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' report (continued)

Auditor

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements are being made for them to be reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



J H Scorer
Director, Secretary
200 Gray's Inn Road
London
WC1X 8XZ
24 September 2015

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 profit or loss 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;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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

Independent auditor's report to the members of ITN Archive Limited

We have audited the financial statements of ITN Archive Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 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 Directors' responsibilities Statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 profit 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.

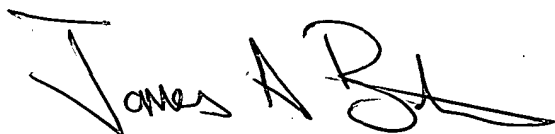
Opinion on other matter prescribed by the Companies Act 2006

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; or
- the Directors were entitled to take advantage of the small companies exemption in preparing the Strategic and Directors' report.



James Bates (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

24 September 2015

Profit and loss account
Year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	3,081,386	3,867,256
Cost of sales		(2,779,021)	(3,343,894)
Gross profit		302,365	523,362
Administrative expenses		(262,700)	(348,061)
Operating profit on ordinary activities before interest and taxation	3	39,665	175,301
Profit on ordinary activities before taxation		39,665	175,301
Taxation	5	7,061	(7,457)
Profit for the financial year		46,726	167,844

There are no recognised gains and losses in the current and preceding year other than those included in arriving at the result for the year and preceding year. All activities are classed as continuing.

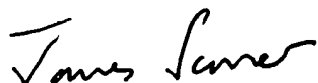
The accompanying notes are an integral part of these accounts.

Balance sheet
31 December 2014

	Notes	2014 £	2013 £
Current assets			
Debtors	6	246,343	1,174,684
Cash at bank and in hand		539,811	642,002
		<u>786,154</u>	<u>1,816,686</u>
Creditors: amounts falling due within one year	7	<u>(5,582,889)</u>	<u>(6,660,147)</u>
Net liabilities		<u>(4,796,735)</u>	<u>(4,843,461)</u>
Share capital and reserves			
Called-up share capital	8	2	2
Profit and loss account	9	<u>(4,796,737)</u>	<u>(4,843,463)</u>
Shareholder deficit	10	<u>(4,796,735)</u>	<u>(4,843,461)</u>

The financial statements of ITN Archive Limited registered number 3807324 were approved by the Board of Directors on the 24 September 2015.

Signed on behalf of the Board of Directors



J H Scorer
Director

Notes to the financial statements

Year ended 31 December 2014

1. Accounting policies

Basis of preparation

Going concern

The Company's business activities are set out in the Directors' report and have been applied consistently. The financial statements have been prepared on a going concern basis (as set out in the Directors' report).

Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom Generally Accepted Accounting Standards.

Turnover

Turnover comprises the value of sales (excluding VAT and similar taxes) from the licensing of rights. Licensing is recognised in line with the specific licence agreement or on delivery of the product.

Cash flow statement

A cash flow statement has not been prepared because the Company is a wholly owned subsidiary of a company incorporated in Great Britain which prepares a consolidated cash flow statement and whose accounts are publicly available. The exemption in accordance with FRS1 (revised) has been applied.

Related party transactions

The Company has taken advantage of exemption under the rules of Financial Reporting Standard No. 8 not to disclose related party transactions with other group companies as over 90% of the voting rights of the Company are controlled by the ultimate parent company, Independent Television News Limited and whose accounts are publicly available.

Foreign currency

Transactions denominated in foreign currencies are recorded in the local currencies at prevailing exchange rates. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in the tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. A deferred tax asset is recognised only when, on the basis of available evidence, it can be regarded as more likely than not that the reversal of underlying timing differences will result in a reduction in future tax payments.

Notes to the financial statements

Year ended 31 December 2014

1. Accounting policies (continued)

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Pensions

The Company operates in a number of countries around the world and provides pension arrangements to its employees that are appropriate according to the local country regulations and employment practices.

2. Segmental information

All turnover relates to revenue from licence fees from the USA, Canada, South Africa, Australia, Scandinavia, Spain and France. Turnover is shown gross of commissions to third parties.

	2014 £	2013 £
By geographical destination:		
North America	956,792	1,025,394
Europe	658,884	726,149
Rest of the World	1,465,710	2,115,713
	<u>3,081,386</u>	<u>3,867,256</u>

The Directors consider all turnover to be derived from the activities above.

3. Profit/loss on ordinary activities before taxation

Profit/loss on ordinary activities before taxation is stated after charging:

	2014 £	2013 £
Operating lease rentals - land and buildings	5,096	19,866
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>6,000</u>	<u>7,500</u>

Notes to the financial statements

Year ended 31 December 2014

4. Staff costs

The Company had an average of nine (2013: nine) employees (excluding Directors) during the year and the Directors' remuneration in respect of services provided to the Company is borne by the ultimate parent company.

	2014 £	2013 £
Wages and salaries	613,057	628,655
Employers' national insurance costs	98,784	102,862
Employers' pension costs	13,956	17,307
	<u>725,797</u>	<u>748,824</u>

5. Analysis of tax charge on ordinary activities

Analysis of tax charge on ordinary activities

	2014 £	2013 £
Current tax		
UK corporation tax at 21.5% (2013: 23.25%) for the year	4,426	-
Foreign tax	(4,553)	(7,457)
<i>Adjustments in respect of prior periods:</i>		
UK corporation tax	(1,193)	-
Foreign tax	8,381	-
Total current tax credit/(charge)	<u>7,061</u>	<u>(7,457)</u>

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 21.5% (2013: 23.25%). The current tax charge for the year was lower than 21.5% (2013 was lower than 23.25%) for the reasons set out in the following reconciliation:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>39,665</u>	<u>175,301</u>
Tax on company profit on ordinary activities at standard tax rate	8,528	40,757
Effects of:		
Capital allowances in excess of depreciation	(1,225)	(1,615)
Group relief and intra-group adjustments	(10,750)	(11,625)
Foreign tax	3,574	5,723
Brought forward losses utilised	-	(25,783)
Prior year adjustments	(7,188)	-
Current tax (credit)/charge for the year	<u>(7,061)</u>	<u>7,457</u>

At 31 December 2014, the company had tax losses available for offset against future taxable profits and a capital allowance pool with a value in excess of the net book value of the qualifying plant and machinery.

Notes to the financial statements

Year ended 31 December 2014

Analysis of tax credit on ordinary activities (continued)

Deferred tax assets have not been recognised in respect of these items as the business has not yet proved it can sustain a regular profit stream against which these assets will be recovered.

Finance Act 2013, which was enacted on 17 July 2013, provided for a reduction of the corporation tax to 21%, effective from 1 April 2014, and a further reduction to 20%, effective 1 April 2015. The 20% rate has been reflected in the calculation of deferred tax in these statements.

The estimated value of the deferred tax asset not recognised on the company's balance sheet, measured at the future rate of 20%, is £5,690 (2013: £6,830).

6. Debtors

	2014 £	2013 £
Trade Debtors	213,844	1,047,776
Other Debtors	4,426	77,122
Prepayments and accrued income	28,072	49,786
	<u>246,343</u>	<u>1,174,684</u>

7. Creditors: amounts falling due within one year

	2014 £	2013 £
Amounts owed to parent undertaking	4,962,634	5,829,299
Other creditors	33,836	45,421
Accruals and deferred income	586,419	785,427
	<u>5,582,889</u>	<u>6,660,147</u>

8. Called up share capital

	2014 £	2013 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

Notes to the financial statements

Year ended 31 December 2014

9. Profit and loss account

	2014 £	2013 £
At 1 January	(4,843,463)	(5,011,307)
Profit for the period	46,726	167,844
	<u>(4,796,737)</u>	<u>(4,843,463)</u>
At 31 December	<u>(4,796,737)</u>	<u>(4,843,463)</u>

10. Reconciliation of movement in shareholders' deficit

	2014 £	2013 £
At 1 January	(4,843,461)	(5,011,305)
Retained profit for the period	46,726	167,844
	<u>(4,796,735)</u>	<u>(4,843,461)</u>
At 31 December	<u>(4,796,735)</u>	<u>(4,843,461)</u>

11. Operating lease commitments

At 31 December 2014 (2013: nil) the Company had no annual commitments under non-cancellable operating leases.

12. Ultimate controlling party

The immediate parent company is Independent Television News Limited. The Directors regard Independent Television News Limited, a company incorporated in Great Britain and registered in England and Wales, as the ultimate parent company and the ultimate controlling party. Independent Television News Limited is the parent company of the largest and smallest group of which the Company is a member and for which group accounts are drawn up. Copies of the accounts are available from the Company Secretary, Independent Television News Limited, 200 Gray's Inn Road, London WC1X 8XZ.