

Registration number: 03866274

Box Clever Technology Limited

Annual Report and Unaudited Financial Statements

for the Period from 1 October 2020 to 31 December 2021



Box Clever Technology Limited

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Box Clever Technology Limited

Director's Report for the Period from 1 October 2020 to 31 December 2021

The Director presents their report and the unaudited financial statements for the period from 1 October 2020 to 31 December 2021.

Principal activity and future developments

The principal activity of Box Clever Technology Limited ("the Company") continues to be that of a holding company. The Company did not trade during the period ended 31 December 2021.

The Company's immediate parent undertaking is Granada UK Rental and Retail Limited. Its ultimate parent undertaking is ITV Plc. The Company is the principal employer of the Box Clever Pension Scheme.

The Box Clever Pension Scheme (the Scheme) was managed from its establishment by an independent Trustee and the Group has not had any commercial connection with the Box Clever business since it went into administrative receivership in 2003. After proceedings in the Upper Tribunal and Court of Appeal were dismissed, certain companies within ITV were issued with financial support directions (FSD) by the Pensions Regulator (tPR) on 17 March 2020. An FSD does not set out what form any financial support should take, nor its amount, and those issues have not yet been resolved as part of the legal process.

The legislation provides that any contribution that ITV may make must be considered reasonable. If an agreement is reached with tPR there may not be an immediate cash flow impact. If an agreement cannot be reached, then settlement may be protracted and subject to further legal proceedings which could take several years to resolve.

At 31 December 2003, the Scheme was estimated to have had a deficit on a buyout basis of £25 million. An estimate of the deficit in the Box Clever Group Pension Scheme was calculated at £110 million as at 30 April 2020. This estimate was calculated on a buyout basis, using membership data and benefits currently being provided in that Scheme, and based on membership data as of February 2020. This estimate has been updated based on 31 December 2022 market conditions and has reduced to £80 million primarily due to the increase in gilt yields and recent changes in inflation. All of these valuations were of the whole Scheme, encompassing liabilities in respect of former employees of Granada's joint venture partner, Thorn, as well as former employees of the Group.

The Group received a warning notice from tPR that it was considering exercising its power to issue a contribution notice for the amount of £133 million which is based on a buyout estimate as at 31 March 2021 provided by the Scheme's actuarial adviser, plus a prudent margin. The Group responded to the warning notice on 31 October 2022.

There remains a significant number of undecided issues as to the quantum and form of financial support and the Directors continue to believe there are many important factors which need to be taken into account in any decision, and therefore there remains uncertainty around the financial support to be provided. The provision remains at £52 million, and represents the offer made to settle the matter and is based on an IAS 19 valuation to transfer certain liabilities into the existing ITV pension scheme, which we consider to be the most likely form of settlement. We remain willing to engage with tPR to resolve the matter.

The provision of £52 million is held by the Company's immediate parent undertaking, Granada UK Rental and Retail Limited.

Box Clever Technology Limited

Director's Report for the Period from 1 October 2020 to 31 December 2021 (continued)

Directors of the Company

The directors, who held office during the period, were as follows:

D M Fisher (appointed 19 October 2020 and resigned 31 January 2023)

J B S Tibbitts (resigned 19 October 2020)

A D Gurnham (resigned 1 November 2021)

The following director was appointed after the period end:

M J Hirst (appointed 31 January 2023)

Directors liabilities

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

Dividends

The Director recommends a final dividend payment of £Nil be made in respect of the financial period ended 31 December 2021 (2020: £Nil).

Reporting period

The Company's accounting reference period was changed to 31 December to align with the parent company's accounting reference date. Therefore, these financial statements cover a period of 15 months.

Fair review of the business

On 1 November 2021, there was a change in ownership and Granada UK Rental and Retail Limited became the sole parent company.

On 1 November 2021, all ordinary A, ordinary B and IPT shares were redenominated as ordinary shares.

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 Director has 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).

Audit exemption

The Company has met the criteria set out in Section 477 of the Companies Act 2006 and is claiming exemption from the audit of their individual accounts afforded by that section for the period ending 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.

Box Clever Technology Limited

Director's Report for the Period from 1 October 2020 to 31 December 2021 (continued)

Statement of Director's responsibilities in respect of the financial statements

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

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has prepared the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law, the Director 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 Director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 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 Director is 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 Director is 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.

Approved and signed by the director on 21 March 2023:



.....
M J Hirst
Director

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

Box Clever Technology Limited

Income Statement for the Period from 1 October 2020 to 31 December 2021

	Period from 1 October 2020 to 31 December 2021 £ 000	Year ended 30 September 2020 £ 000
Note		
Operating profit/(loss)	-	-
Profit/(loss) before tax	-	-
Taxation	-	-
Profit/(loss) for the period	-	-

During the financial period and the preceding financial year, the Company did not trade and received no income and incurred no expenditure. Consequently, during those periods the Company made neither a profit nor a loss.

The Company has no other comprehensive income in either period.

Box Clever Technology Limited

(Registration number: 03866274)

Statement of Financial Position as at 31 December 2021

		31 December 2021 £ 000	30 September 2020 £ 000
	Note		
Fixed assets			
Investments	5	-	-
Capital and reserves			
Called up share capital	6	2,000	2,000
Share premium		8,000	8,000
Retained earnings		<u>(10,000)</u>	<u>(10,000)</u>
Total equity		<u>-</u>	<u>-</u>

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

For the financial period ending 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The director acknowledges 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 10 were approved by the director on 21 March 2023.



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M J Hirst
Director

Box Clever Technology Limited

Statement of Changes in Equity for the Period from 1 October 2020 to 31 December 2021

	Called up share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total equity £ 000
Balance at 1 October 2020	2,000	8,000	(10,000)	-
Result for the period	-	-	-	-
Balance at 31 December 2021	<u>2,000</u>	<u>8,000</u>	<u>(10,000)</u>	<u>-</u>

	Called up share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total equity £ 000
Balance at 1 October 2019	2,000	8,000	(10,000)	-
Result for the year	-	-	-	-
Balance at 30 September 2020	<u>2,000</u>	<u>8,000</u>	<u>(10,000)</u>	<u>-</u>

Box Clever Technology Limited

Notes to the Unaudited Financial Statements for the Period from 1 October 2020 to 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

Box Clever Technology Limited (the "Company") is a private company, limited by shares, incorporated, domiciled and registered in the UK. The registered number is 03866274 and the registered address is ITV White City, 201 Wood Lane, London, W12 7RU.

These financial statements were prepared in accordance with Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentational currency of these financial statements is sterling.

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 102 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.

Basis of non-consolidation

Under section 405 of the Companies Act 2006 a subsidiary undertaking may be excluded from consolidation if its inclusion is not material for the purpose of giving a true and fair view. As at 31 December 2021, other than the subsidiaries in liquidation or within administrative receivership (and excluded from consolidation under section 400 of the Companies Act 2006) all remaining subsidiaries are not material.

As a result, the Company is exempt from the requirement to prepare consolidated accounts. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

Measurement convention

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

Cash flow statement

During the financial period and the preceding financial year, the Company did not trade, had no cash transactions nor holds any cash or cash equivalents. Consequently, during those periods the Company had no cash flows.

Rounding of amounts

All amounts in the financial statements and notes have been rounded off to the nearest thousand Sterling Pound, unless otherwise stated.

Box Clever Technology Limited

Notes to the Unaudited Financial Statements for the Period from 1 October 2020 to 31 December 2021 (continued)

1 Accounting policies (continued)

Going Concern

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

The Company is dependent on ITV plc for its working capital. The Director of the Company has no reason to believe that this financial support will not be forthcoming in the event that it is required.

The current economic conditions continue to create uncertainty, but the Company's forecasts and projections show that the Company should be able to operate within the level of its current cash reserves and borrowings. After making enquiries, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

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.

On this basis, and on their assessment of the Company's financial position, the Director is 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 approval of these financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

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.

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. The current macro economic environment has caused greater estimation and judgement to be applied.

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 period, there were no significant judgements or estimates that require disclosure.

3 Staff costs

There were no employees and hence no staff costs during the period (2020: £Nil).

4 Director remuneration

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

Box Clever Technology Limited

Notes to the Unaudited Financial Statements for the Period from 1 October 2020 to 31 December 2021 (continued)

5 Investments

	£
Cost or valuation	
At 1 October 2020 and 31 December 2021	4
Provision	
At 1 October 2020 and 31 December 2021	(2)
Carrying amount at 1 October 2020 and 31 December 2021	<u><u>2</u></u>

Details of the subsidiaries as at 31 December 2021 are as follows:

Name of Subsidiary	Registered Office	Share Type	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held
Box Clever Trustees Limited	Portwall Place, Portwall Lane, Bristol, BS1 6NA	Ordinary share	United Kingdom	100%

The Company holds one £1 IPT share in UK Consumer Electronics Limited (in liquidation) (representing less than 1% of the issued share capital).

6 Share capital

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
ITP shares of £1 each	-	-	2	2
A Ordinary shares of £1 each	-	-	1,000,000	1,000,000
B Ordinary shares of £1 each	-	-	1,000,000	1,000,000
Ordinary shares of £1 each	2,000,002	2,000,002	-	-
	<u>2,000,002</u>	<u>2,000,002</u>	<u>2,000,002</u>	<u>2,000,002</u>

On 1 November 2021, all ordinary A, ordinary B and ITP shares were redenominated as ordinary shares and Granada UK Rental and Retail Limited became the sole shareholder of the Company.

Box Clever Technology Limited

Notes to the Unaudited Financial Statements for the Period from 1 October 2020 to 31 December 2021 (continued)

7 Parent and ultimate parent undertaking

The Company's immediate parent is Granada UK Rental And Retail Limited.

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

The ultimate controlling party is ITV plc.