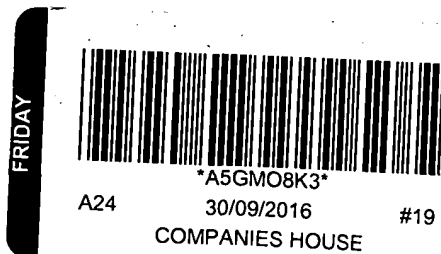


Registration number: 7698963

# ITV Breakfast Broadcasting Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015



# **ITV Breakfast Broadcasting Limited**

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## ITV Breakfast Broadcasting Limited

### Strategic Report for the Year Ended 31 December 2015

The director presents his strategic report for the year ended 31 December 2015.

#### Principal activity

ITV Breakfast Broadcasting Limited's (the "Company") principal activity is the broadcast of the breakfast time television programmes, Good Morning Britain and Lorraine. These programmes are broadcast daily between 6.00 am and 9.25 am.

The Company's business activities, together with the factors likely to affect its future development and position, are set out below.

#### Fair review of the business

The results for ITV Breakfast Broadcasting Limited ("the Company") show a profit for the year of £5,415,000 (2014: profit of £7,043,000) and sales of £71,765,000 (2014: £70,107,000). At the balance sheet date the Company had net assets of £33,808,000 (2014: net assets £28,393,000).

The directors of the ITV plc Group manage the Group's operations on a divisional basis with this Company being included within the Broadcast & Online division. For this reason, the Company's directors use the ITV plc Group Broadcast & Online division's business review in managing and understanding the development, performance and position of the Company. The business review is included on pages 32 to 51 of ITV plc's 2015 annual report.

#### Developments during the year

During the year the Company adopted Financial Reporting Standard 101 (FRS 101) - Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard. The Company's ultimate parent undertaking, ITV plc was notified of and did not object to the use of the reduced disclosure framework in preparation of these accounts.

#### Future developments

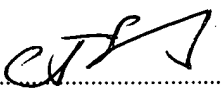
We are continuing to work to identify the most cost effective and efficient ways of working with other parts of the Group to maximise programme performance and business profit.

#### Principal risks and uncertainties

The key risk in the Company is the value and performance of its investments. The Directors review the performance of its investments regularly and provide for impairment where necessary.

A comprehensive strategic review of the Company's strategy, outlining the development, performance and position of the Company's business can be found in the Strategic Report of the group in the ITV plc Annual Report. The Annual Report of ITV plc is 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.

Approved by the Board on 30/9/16 and signed on its behalf by:

  
.....  
Christopher Swords  
Director

## ITV Breakfast Broadcasting Limited

### Directors' Report for the Year Ended 31 December 2015

The director presents his report and the financial statements for the year ended 31 December 2015.

#### Directors of the Company

The directors who held office during the year were as follows:

Christopher Swords (appointed 30 April 2015)

Peter Fincham (resigned 1 March 2016)

Andrew Garard

Ian Griffiths (resigned 16 March 2016)

William Medlicott (resigned 30 April 2015)

The following director was appointed after the year end:

Kevin Lygo (appointed 1 March 2016)

#### Directors' liabilities

Directors of ITV Breakfast Broadcasting Limited (Adam Crozier and Ian Griffiths) benefit from qualifying indemnity provisions in place during the year and at the date of this report. The remaining Directors benefit from third party insurance provisions in place during the financial year and at the date of this report.

#### Dividends

The director recommends a final dividend payment of £Nil be made in respect of the financial year ended 31 December 2015 (2014: £Nil).

#### Going concern

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).

#### 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

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 30/9/16 and signed on its behalf by:

  
.....

Christopher Swords  
Director

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

## **ITV Breakfast Broadcasting Limited**

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

The director is responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

Under company law the Director must not approve the financial statements unless he is 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 Director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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 him to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility 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.

## **Independent Auditor's Report To The Members Of ITV Breakfast Broadcasting Limited**

We have audited the financial statements of ITV Breakfast Broadcasting Limited for the year ended 31 December 2015, set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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 Director is 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

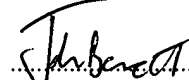
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

## **Independent Auditor's Report To The Members Of ITV Breakfast Broadcasting Limited**

### **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.

.....

John Bennett (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E15 5GL

Date: 30/9/16.....

# **ITV Breakfast Broadcasting Limited**

## **Profit and Loss Account for the Year Ended 31 December 2015**

		<b>2015</b>	<b>Restated</b>
	<b>Note</b>	<b>£ 000</b>	<b>2014</b>
			<b>£ 000</b>
Turnover	2	71,765	70,107
Other expenses	3	<u>(67,727)</u>	<u>(65,461)</u>
Operating profit		<u>4,038</u>	<u>4,646</u>
Other interest receivable and similar income	5	1,377	2,988
Interest payable and similar charges	6	<u>-</u>	<u>(591)</u>
		<u>1,377</u>	<u>2,397</u>
Profit before tax		5,415	7,043
Tax on profit on ordinary activities	9	<u>-</u>	<u>-</u>
Profit for the year		<u><u>5,415</u></u>	<u><u>7,043</u></u>

The above results were derived from continuing operations.

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

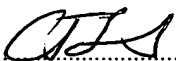


# ITV Breakfast Broadcasting Limited

(Registration number: 7698963)  
Balance Sheet as at 31 December 2015

	Note	2015 £ 000	2014 £ 000
<b>Current assets</b>			
Inventory	10	30	156
Trade and other receivables (Including £Nil (2014:£Nil) due over one year)	11	<u>53,927</u>	<u>45,132</u>
		53,957	45,288
<b>Current liabilities</b>			
Trade and other payables	12	<u>(20,149)</u>	<u>(16,895)</u>
Net assets		<u>33,808</u>	<u>28,393</u>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Retained earnings		<u>33,808</u>	<u>28,393</u>
Total equity		<u>33,808</u>	<u>28,393</u>

Approved by the Board on 30/9/16 and signed on its behalf by:



Christopher Swords  
Director

# **ITV Breakfast Broadcasting Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2015**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
As at 1 January 2015	1	28,393,000	28,393,001
Profit for the year	-	5,415,000	5,415,000
As at 31 December 2015	1	33,808,000	33,808,001

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
As at 1 January 2014	1	21,350,000	21,350,001
Profit for the year	-	7,043,000	7,043,000
As at 31 December 2014	1	28,393,000	28,393,001

## **ITV Breakfast Broadcasting Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **1 Accounting policies**

##### **Profit and loss account format change**

For the 2015 Financial Statements, the directors of the Company have made the decision to present the Profit and loss account by "nature of expense". This is as allowed under IAS1 and represents a change in format from the "function of expense" Profit and loss account basis that was used in prior years. The basis of this decision is that the directors believe this more accurately reflects the relationship between the revenues generated and costs incurred by the Company. The move to adopt the revised Profit and loss account format is also part of a process to bring consistency to the format of the Financial Statements of the entities within the Broadcast and Online division.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

The Company transitioned from old UK GAAP to Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) for all periods presented on a historical cost basis. The Company's transition date is 1 January 2014.

There were no material amendments on the adoption of FRS 101.

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.

## **ITV Breakfast Broadcasting Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **1 Accounting policies (continued)**

##### **Summary of disclosure exemptions**

The Company is taking advantage of the following disclosure exemptions under 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;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy, (see note 1);
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

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; 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 adopt the reduced disclosure framework of FRS 101 in its next financial statements.

##### **Going Concern**

The Company has adequate financial resources and is expected to continue to generate positive cash flows on its own account for the foreseeable future. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully.

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

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.

##### **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.

## **ITV Breakfast Broadcasting Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **1 Accounting policies (continued)**

##### **Amounts due (to) / from group undertakings**

The Company participates in an intra-group cash pool policy 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 balance sheet.

##### **Exemption from preparing group accounts**

The financial statements contain information about ITV Breakfast Broadcasting Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, ITV plc, a company incorporated in United Kingdom.

##### **Turnover**

Turnover, which arises wholly in the United Kingdom, is stated exclusive of VAT and represents sales for services provided during the year to third parties. Judgement is required when determining the appropriate timing and amount of turnover that can be recognised, specifically around whether there is a firm contract and that the service has been provided, and if so, whether there is a fixed or reasonably determinable price that is reasonably certain will be collected. Key classes of turnover are recognised on the following basis:

Advertising revenue (NAR) is recognised on transmission as audience targets are met.

Non-NAR revenue is recognised as follows;

- Sponsorship revenue is recognised across the period of transmission of the sponsored programme or series.
- Participation revenues (Interactive) is recognised as the service is provided or the event occurs.

##### **Foreign currency transactions and balances**

The primary economic environment in which the Company operates is the UK and therefore the financial statements are presented in pounds sterling (£).

Where the Company transacts in foreign currencies, these transactions are translated into pounds sterling at the exchange rate on the transaction date. Foreign currency monetary assets and liabilities are translated into pounds sterling at the year end exchange rate. Where there is a movement in the exchange rate between the date of the transaction and the year end, a foreign exchange gain or loss is recognised in the profit and loss account.

##### **Cash bid**

The cash bid payments made to the Treasury relate to the ongoing activities of the business, and are accounted for on an accruals basis.

##### **Tax**

The tax charge for the period is recognised in the income statement, the statement of comprehensive income and directly in equity, according to the accounting treatment of the related transaction. 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.

## **ITV Breakfast Broadcasting Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **1 Accounting policies (continued)**

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 of the additional taxes that are likely to become due, which require judgement. 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.

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 balance sheet 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.

#### **Trade 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 its customers on credit terms.

Estimates are used in determining the level of receivables that will not, in the opinion of the Directors, be collected. These estimates include such factors as historical experience, the current state of the UK and overseas economies and industry specific factors. A provision for impairment of trade receivables is established when there is sufficient evidence that the Company will not be able to collect all amounts due.

#### **Inventories**

Costs of programme development are written off as incurred to operating costs.

Programme costs are expensed to operating costs in full on first transmission. Acquired programmes which have not been transmitted at the balance sheet date are valued at the lower of cost and net realisable value.

#### **Trade payables**

Trade payables are recognised at the value of the invoice received from a supplier. Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

# ITV Breakfast Broadcasting Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 1 Accounting policies (continued)

#### Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation arising from past events, it is probable cash will be paid to settle it and the amount can be estimated reliably. Provisions are determined by discounting the expected future cash flows by a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a financing cost in the profit and loss account. The value of the provision is determined based on assumptions and estimates in relation to the amount and timing of actual cash flows which are dependent on future events.

#### 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 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2015 £ 000	2014 £ 000
Net Advertising Revenue - (NAR)	52,999	52,790
Non-NAR	18,766	17,317
	<u>71,765</u>	<u>70,107</u>

### 3 Other expenses

Other expenses of £67,727,000 (2014: £65,461,000) includes amounts relating to programming budget costs, transmission costs and other administrative expenses.

### 4 Operating profit

Arrived at after charging/(crediting)

	2015 £ 000	2014 £ 000
Foreign exchange losses	(1)	(3)
	<u>(1)</u>	<u>(3)</u>

### 5 Other interest receivable and similar income

	2015 £ 000	2014 £ 000
Interest receivable	1,377	2,988
	<u>1,377</u>	<u>2,988</u>

## ITV Breakfast Broadcasting Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 6 Interest payable and similar charges

	2015 £ 000	2014 £ 000
Interest payable	-	591
	<u>-</u>	<u>591</u>

Interest payable includes £Nil (2014 - £590,584) payable on loans from group companies.

#### 7 Auditor's remuneration

The auditor's remuneration of £5,000 (2014: £5,000) 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 Staff costs and Directors' remuneration

There were no employees and hence no staff costs during the year (2014: £nil).

The Directors were remunerated by other ITV plc Group companies. The Directors received no remuneration in respect of their services to the Company (2014: £nil).

#### 9 Current tax

Tax charged/(credited) in the profit and loss account:

	2015 £ 000	2014 £ 000
<b>Current taxation</b>		
UK corporation tax	-	-
Total current income tax	-	-
<b>Deferred taxation</b>		
Total deferred taxation	-	-
Tax expense/(receipt) in the profit and loss account	<u>-</u>	<u>-</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2014 - lower than the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.5%).

The differences are reconciled below:



## ITV Breakfast Broadcasting Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 9 Current tax (continued)

	2015 £ 000	2014 £ 000
Profit before tax	5,415	7,043
Corporation tax at standard rate of 20.25% (2014 : 21.5%)	1,097	1,514
Other tax effects for reconciliation between accounting profit and tax expense	(1,097)	(1,514)
Total tax charge/(credit)	-	-

The corporation tax rate of 20.25% reflects the reduction in the rate from 21% to 20% effective from 1 April 2015.

The Finance Act 2015, which provides for a reduction in the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020, was substantively enacted on 26 October 2015. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

#### 10 Inventories

	2015 £ 000	2014 £ 000
Work in progress	30	156
	30	156

#### 11 Trade and other receivables

	2015 £ 000	2014 £ 000
Trade receivables	5,379	5,948
Amounts due from group undertakings	44,806	39,169
Accrued income	3,738	10
Other receivables	4	5
Total current trade and other receivables	53,927	45,132

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

Included in Amounts due from group undertakings are amounts of £39,604,000 (2014: £Nil) which attract interest at 3.5% and which are repayable on demand. Included in Amounts due from group undertakings are amounts of £Nil (2014: £34,006,000) which attract interest at 5.5% and which are repayable on demand. The remaining balance of £5,202,000 (2014: £5,163,000) represents inter-company trading and does not attract interest and is repayable on demand.

## ITV Breakfast Broadcasting Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 12 Trade and other payables

	2015 £ 000	2014 £ 000
Trade payables	293	171
Accrued expenses and deferred income	2,386	1,603
Amounts due to group undertakings	8,284	8,455
Other payables	9,186	6,666
	<u>20,149</u>	<u>16,895</u>

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

Included within amounts due to group undertakings is an amount of £8,284,000 (2014: £8,455,000) relating to inter-company trading with fellow subsidiaries that is payable on demand, and which has no associated interest.

#### 13 Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
1 ordinary share (2014: 1) at £1 each	1	1
	<u>1</u>	<u>1</u>

#### 14 Dividends

The Director is proposing a final dividend of £Nil (2014 - £Nil) per share totalling £Nil (2014 - £Nil). This dividend has not been accrued in the statement of financial position.

#### 15 Commitments

##### Cash bid payments

The Company was committed to make payments to the Treasury of £10,000 during the year ended 31 December 2015. For the year to 31 December 2016, the annual fixed payment will be £10,110.

The total amount of other financial commitments not provided in the financial statements was £Nil (2014 - £Nil).

#### 16 Contingent liabilities

Under a Group registration the Company is jointly and severally liable for the VAT at 31 December 2015 of £59 million (2014: £58 million). The Company has guaranteed certain finance and operating lease obligations of subsidiary undertakings.

## **ITV Breakfast Broadcasting Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **17 Parent of group in whose consolidated financial statements the company is consolidated**

The name of the parent of the group in whose consolidated financial statements the Company's financial statements are consolidated is ITV plc.

These financial statements are available upon request from The London Television Centre, Upper Ground, London, SE1 9LT.

#### **18 Parent and ultimate parent undertaking**

The Company's immediate parent is ITV Broadcasting Limited.

The ultimate parent is ITV plc.

The most senior parent entity producing publicly available financial statements is ITV plc. These financial statements are available upon request from The London Television Centre, Upper Ground, London, SE1 9LT.

The ultimate controlling party is ITV plc.

#### **19 Transition to FRS 101**

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101. Accordingly, the Company has prepared financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the Company in restating its balance sheet as at 1 January 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended 31 December 2014.

On transition to FRS 101, the Company has applied the requirements of IFRS 1 First time adoption of International Financial Reporting Standards.

# ITV Breakfast Broadcasting Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 19 Transition to FRS 101 (continued)

#### Balance sheet at 1 January 2014

	Note	As originally reported £ 000	FRS 101 remeasurement £ 000	As restated £ 000
<b>Current assets</b>				
Inventory		110	-	110
Trade and other receivables		199,879	-	199,879
		199,989	-	199,989
<b>Current liabilities</b>				
Trade and other payables		(178,639)	-	(178,639)
Net assets		21,350	-	21,350
<b>Capital and reserves</b>				
Retained earnings		21,350	-	21,350

# **ITV Breakfast Broadcasting Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2015**

### **19 Transition to FRS 101 (continued)**

#### **Balance sheet at 31 December 2014**

	<b>Note</b>	<b>As originally reported £ 000</b>	<b>FRS 101 remeasurement £ 000</b>	<b>As restated £ 000</b>
<b>Current assets</b>				
Inventory		156	-	156
Trade and other receivables		45,132	-	45,132
		<u>45,288</u>	<u>-</u>	<u>45,288</u>
<b>Current liabilities</b>				
Trade and other payables		(16,895)	-	(16,895)
Net assets		<u>28,393</u>	<u>-</u>	<u>28,393</u>
<b>Capital and reserves</b>				
Retained earnings		<u>28,393</u>	<u>-</u>	<u>28,393</u>

# **ITV Breakfast Broadcasting Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2015**

### **19 Transition to FRS 101 (continued)**

#### **Profit and loss account for the year ended 31 December 2014**

	Note	As originally reported £ 000	FRS 101 remeasurement £ 000	As restated £ 000
Turnover		70,107	-	70,107
Other expenses		<u>(65,461)</u>	<u>-</u>	<u>(65,461)</u>
Operating profit		<u>4,646</u>	<u>-</u>	<u>4,646</u>
Other interest receivable and similar income		2,988	-	2,988
Interest payable and similar charges		<u>(591)</u>	<u>-</u>	<u>(591)</u>
		<u>2,397</u>	<u>-</u>	<u>2,397</u>
Profit before tax		7,043	-	7,043
Tax on profit on ordinary activities		<u>-</u>	<u>-</u>	<u>-</u>
Profit for the financial year		<u><u>7,043</u></u>	<u><u>-</u></u>	<u><u>7,043</u></u>