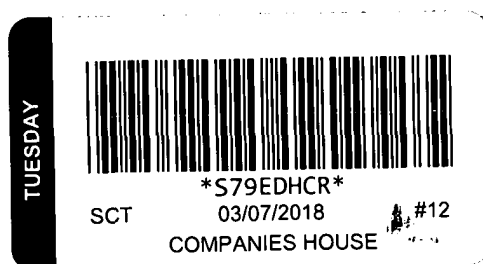


STV Services Limited

Report and financial statements

31 December 2017

Registered number: SC174088



Strategic report for the year ended 31 December 2017

The directors present their strategic report on the company for the year ended 31 December 2017.

Review of the business

The principal activity of the company is to provide central resources to the Group.

Turnover for the year was £14,047,000 (2016: £14,534,000), a decrease of 3%.

Profit before taxation has increased from £684,000 to £984,000.

The profit for the financial year amounted to £1,018,000 (2016: £2,004,000).

We consider that the level of activity in the year was satisfactory.


Principal risks and uncertainties

The company is not subject to any external risks.

Key performance indicators

The directors of STV Group plc manage the Group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business the company.

By order of the board



George Watt
Director

28 June 2018

Directors' report for the year ended 31 December 2017

Registered no. SC174088

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017.

Directors of the company

The directors of the company at 31 December 2017, all of whom have been directors for the whole year and up to the date of signing the financial statements, except where noted, are listed below:

George Watt

Robert Woodward (resigned 31 December 2017)

Simon Pitts (appointed 3 January 2018)

In accordance with the Articles of Association, the directors do not retire by rotation.

Dividends

The directors do not recommend the payment of a final dividend (2016: £nil).

Future developments

The company aims to continue to efficiently manage central resource costs.

Financial risk management

The company, as a wholly owned subsidiary of STV Group plc ("Group") is exposed to a variety of financial risks that arise from and apply to the Group's activities: currency risk, credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out under policies approved by the Board of Directors of STV Group plc with financial risks being identified, evaluated and hedged in close co-operation with the Group's operating divisions. The board of STV Group plc provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of financial instruments and investing excess liquidity.

(a) Currency risk

The Group operates almost wholly within the UK and is exposed to minimal foreign exchange risk. Foreign exchange risk arises primarily with respect to the Euro and US dollar and from future commercial transactions and trade assets and liabilities in foreign currencies.

(b) Credit risk

The Group has no significant concentration of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history. Derivative transaction counterparties are limited to high-credit-quality financial institutions.

(c) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the nature of the underlying business, the aim is to maintain flexibility in funding by keeping committed credit lines available.

(d) Cash flow interest rate risk

The Group has no significant interest bearing assets and its income and operating cash flows are substantially independent of changes in market interest rates. Full details are provided in the Group's statutory financial statements for the year ended 31 December 2017.

Directors' report for the year ended 31 December 2017 (continued)

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business review section of the Strategic report on page 1.

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the company's ultimate parent STV Group plc to their enquiries have no reason to believe that material uncertainty exists that may cast significant doubt about the ability of the STV plc group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of STV Group plc, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Statement of directors' responsibilities

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 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 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 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.

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.

Directors' report for the year ended 31 December 2017 (continued)

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time of this report the following applies:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he or she has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the board


Jane EA James
Company Secretary

28 June 2018

Independent auditors' report to the members of STV Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, STV Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the income statement, the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of STV Services Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of STV Services Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Kenneth Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
28 June 2018

STV Services Limited

Income statement for the year ended 31 December 2017

	Note	2017 £000	2016 £000
Turnover		14,047	14,534
Other administrative expenses		(13,063)	(13,850)
Profit before taxation	3	984	684
Tax on profit	5	34	1,320
Profit for the financial year		1,018	2,004

The results are derived wholly from continuing operations.

There is no material difference between the profit before taxation and the profit for the financial years stated above and their historical cost equivalents.

The accompanying notes are an integral part of these financial statements.

Statement of comprehensive income For the year ended 31 December 2017

	2017 £000	2016 £000
Profit for the financial year	1,018	2,004
Deferred tax charged to equity	(189)	(2,244)
Other comprehensive expense	(189)	(2,244)
Total comprehensive income/(expense) for the year	829	(240)

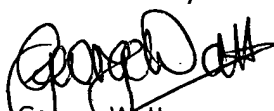
STV Services Limited

Balance sheet as at 31 December 2017

	Note	2017 £000	2016 £000
Fixed assets			
Property, plant and equipment	7	2,559	2,518
Intangible assets	8	788	667
		<u>3,347</u>	<u>3,185</u>
Current assets			
Trade and other receivables	9	25,703	20,357
Cash and cash equivalents		232	351
		<u>25,935</u>	<u>20,708</u>
Creditors: amounts falling due within one year	10	<u>(27,647)</u>	<u>(22,847)</u>
Net current liabilities		<u>(1,712)</u>	<u>(2,139)</u>
Total assets less current liabilities		1,635	1,046
Provisions for liabilities	11	(287)	(527)
Net assets		<u>1,348</u>	<u>519</u>
Equity			
Called up share capital	13	-	-
Retained earnings		1,348	519
Total shareholders' funds		<u>1,348</u>	<u>519</u>

The accompanying notes are an integral part of these financial statements.

The financial statements on pages 8 to 19 were approved by the board on 28 June 2018 and were signed on its behalf by:


George Watt
Director

STV Services Limited

Statement of changes in equity For the year ended 31 December 2017

	Retained earnings £000
Balance at 1 January 2016	759
Profit for the financial year	2,004
Other comprehensive expense	(2,244)
Total comprehensive expense for the year	(240)
Balance at 31 December 2016	519
Profit for the financial year	1,018
Other comprehensive expense	(189)
Total comprehensive income for the year	829
Balance at 31 December 2017	1,348

Notes to the financial statements Year ended 31 December 2017

1. General information

STV Services Limited is a private company incorporated and domiciled in the UK. The address of the registered office is Pacific Quay, Glasgow, G51 1PQ. The nature of the company's operations and its principal activities are set out in the review of the business on page 1.

2. Summary of significant accounting policies

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 financial statements of STV Services Limited have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

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. STV Services Limited has no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

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

- Paragraphs 91 to 99 of IFRS 13 "Fair value measurement" (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1 "Presentation of financial statements" comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1
 - paragraph 73(e) of IAS 16 Property, plant and equipment
- The following paragraphs of IAS 1 "Presentation of financial statements":
 - 10(d) (statement of cash flows)
 - 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements)
 - 16 (statement of compliance with all IFRS)
 - 38A (requirement for a minimum of two primary statements, including cash flow statements)
 - 38B-D (additional comparative information)
 - 40A-D (requirements for a third balance sheet)
 - 111 (cash flow statement information) and
 - 134-136 (capital management disclosures)
- IAS 7 "Statement of cash flows"
- Paragraph 30 and 31 of IAS 8 "Accounting policies, changes in accounting estimates and errors"
- Paragraph 17 of IAS 24 "Related party disclosures" (key management compensation)
- The requirements of IAS 24 "Related party disclosures" to disclose related party transactions entered into between two or more members of a group.

Notes to the financial statements (continued) Year ended 31 December 2017

New and amended standards adopted by the company

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2017, have had a material impact on the company.

Turnover

Turnover represents income from services provided to other group companies. Revenue is recognised on an accruals basis.

Investments

Fixed asset investments are stated at cost less any provision for impairment.

Property, plant and equipment

Property, plant and equipment is stated at historic purchase cost less accumulated depreciation and any provision for impairment.

Depreciation is provided to write off cost or valuation on a straight line basis as follows:

Leasehold land and buildings	between 2% and 4%
Plant and technical equipment	between 5% and 20%

Intangible assets

Other intangible assets are held at cost less accumulated amortisation and any provision for impairment. Included within intangible assets are assets in the course of construction which comprise primarily web development projects including directly attributable costs to bring the assets into use and may include capitalised borrowing costs. Amortisation is charged through other administrative expenses in the Income Statement and is provided at the following rates per annum to write off the costs of other intangible assets, less residual value, on a straight line basis from the date on which they are brought into use:

Web development	5 years
-----------------	---------

Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested at least annually or whenever there is an indicator of impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying value exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Investments

Fixed asset investments are valued at cost, less any provision for impairment.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Notes to the financial statements (continued) Year ended 31 December 2017

Pensions

Employees of the company are eligible for membership of the main retirement benefits schemes operated by STV Group plc.

Payments to the group defined contribution retirement benefit scheme are charged as an expense as they fall due. Payments made to the group retirement benefit schemes are dealt with as payments to defined contribution schemes where the company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

The company participates in a group defined benefit scheme which is the legal responsibility of one of its fellow subsidiaries as the sponsoring employer. There is no contractual agreement or stated policy for charging the net defined benefit cost. In accordance with IAS 19 (revised 2011), the company recognises a cost equal to its contribution payable for the year.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probably that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated using tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Notes to the financial statements (continued)
Year ended 31 December 2017

3. Profit before taxation

Profit before taxation is stated after charging:

	2017 £000	2016 £000
Wages and salaries	4,538	4,618
Social security costs	474	389
Other pension costs (note 14)	156	143
Staff costs	5,168	5,150
Depreciation	564	776
Amortisation of intangible assets	87	23

Audit fees were borne by another group company in the current and preceding year.

4. Employees and directors

Employees

The average monthly number of persons (including executive directors) employed by the Company during the year was:

	2017 Number	2016 Number
Established	70	71
Contract	2	1
	72	72

Directors

The directors' emoluments were as follows:

	2017 £000	2016 £000
Aggregate emoluments	1,097	1,270

Post-employment benefits are accruing to no directors (2016: one) under the group's defined benefit schemes.

Highest paid director

The highest paid directors' emoluments were as follows:

	2017 £000	2016 £000
Aggregate emoluments	697	807

Notes to the financial statements (continued)
Year ended 31 December 2017

5. Tax on profit

	2017	2016
	£000	£000
Current tax:		
UK corporation tax on profit of the year	-	-
Adjustment in respect of prior periods	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	84	(1,711)
Adjustment in respect of prior periods	(118)	(229)
Changes in tax rates or laws	-	620
Total deferred tax	(34)	(1,320)
Tax credit for the year	(34)	(1,320)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19.25% (2016: 20%). The actual tax for the current and prior years differs to the standard rate for the reasons set out in the following reconciliation:

	2017	2016
	£000	£000
Profit before taxation	984	684
Profit before taxation multiplied by standard rate in the UK 19.25% (2016: 20%)	189	137
Effects of:		
Expenses not allowable for tax purposes	33	120
Changes in tax rates or laws	134	525
Group relief	(86)	(96)
Adjustment in respect of prior periods	(118)	231
Fixed asset differences	3	7
Deferred tax charged directly to equity	(189)	(2,244)
Tax credit for the year	(34)	(1,320)

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (No.2) on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017. Finance Act 2016, which was substantively enacted on 6 September 2016, includes legislation reducing the main rate of UK corporation tax to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Notes to the financial statements (continued) Year ended 31 December 2017

6. Investments

The company owns the whole of the share capital of STV SIP Trustees Limited, a company incorporated in Scotland, operating as a trustee company. The registered address of STV SIP Trustees is Pacific Quay, Glasgow, G51 1PQ.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

7. Property, plant and equipment

	Leasehold land and buildings £000	Plant and technical equipment £000	Total £000
Cost			
At 1 January 2017	100	7,092	7,192
Additions	299	336	635
Disposals	-	(109)	(109)
At 31 December 2017	399	7,319	7,718
Accumulated depreciation and impairment			
At 1 January 2017	87	4,587	4,674
Charge for year	19	545	564
Disposals	-	(79)	(79)
At 31 December 2017	106	5,053	5,159
Net book value			
At 31 December 2017	293	2,266	2,559
At 31 December 2016	13	2,505	2,518

Notes to the financial statements (continued)
Year ended 31 December 2017

8. Intangible assets

	Web development £000
Cost	
At 1 January 2017	690
Additions	208
At 31 December 2017	898
Accumulated amortisation and impairment	
At 1 January 2017	23
Charge for year	87
At 31 December 2017	110
Net book value At 31 December 2017	788
At 31 December 2016	667

9. Trade and other receivables

	2017 £000	2016 £000
Trade receivables	177	34
Amounts owed by group undertakings	19,289	10,820
Other receivables	681	3,835
Prepayments and accrued income	980	937
Deferred tax asset (note 12)	4,576	4,731
	25,703	20,357

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10. Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	472	412
Amounts owed to group undertakings	24,601	19,112
Taxation and social security costs	276	139
Accruals and other creditors	2,298	3,184
	27,647	22,847

Amounts owed to group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

STV Services Limited

Notes to the financial statements (continued) Year ended 31 December 2017

11. Provisions for liabilities

	Onerous lease £000
At 1 January 2017	527
Utilised in the year	<u>(240)</u>
At 31 December 2017	<u>287</u>

The onerous lease provision relates to a shortfall on the sub-lease of surplus property at the Group's Pacific Quay, Glasgow premises and Craigshaw, Aberdeen premises.

12. Deferred taxation

The analysis of the deferred tax balances is as follows:

	2017 £000	2016 £000
Deferred tax asset:		
Deferred tax to be recovered after more than one year	<u>(4,576)</u>	<u>(4,731)</u>
	<u>(4,576)</u>	<u>(4,731)</u>
Net deferred tax asset	<u>(4,576)</u>	<u>(4,731)</u>

	Accelerated capital allowances £000	Losses £000	Other temporary differences £000	Total £000
At 1 January 2016	(295)	(4,126)	(1,234)	(5,655)
Credit to income	(41)	406	(1,685)	(1,320)
Charge to equity	-	-	2,244	2,244
At 31 December 2016	<u>(336)</u>	<u>(3,720)</u>	<u>(675)</u>	<u>(4,731)</u>
Credit to income	(35)	2	(1)	(34)
Charge to equity	-	-	189	189
At 31 December 2017	<u>(371)</u>	<u>(3,718)</u>	<u>(487)</u>	<u>(4,576)</u>

Notes to the financial statements (continued)
Year ended 31 December 2017**13. Called up share capital**

	2017	2016	2017	2016
	Number	Number	£	£
Allotted and fully paid				
Ordinary shares of £1	1	1	1	1

The total authorised number of ordinary shares is 1,000 shares (2016: 1,000 shares) with a par value of £1 per share (2016: £1 per share).

14. Retirement benefit schemes**Defined contribution**

The Group operates a money purchase scheme, the STV Pension Scheme, of which the Company is a participating employer. At the 31 December 2017 contributions of £nil (2016: £nil) due in respect of the current reporting year had not been paid over to the scheme.

Defined benefit

The company is also a participating employer in the Scottish and Grampian Television Retirement Benefit Scheme, one of the Group's two defined benefit pension schemes, both of which are closed schemes.

There is no contractual agreement or stated policy for charging the net defined benefit cost. In accordance with IAS 19 (revised 2011), the Company recognises a cost equal to its contribution payable for the year.

The cost charged to income in the year for both the Scottish and Grampian Television Retirement Defined Benefit Scheme and the STV Pension Scheme amounted to £156,000 (2016: £143,000).

Further details of the Groups defined benefit schemes are disclosed on pages 107 – 111 of the Group consolidated financial statements which are available as disclosed in note 15 below.

15. Controlling parties

The immediate parent undertaking is Rise & Shine (Television) Limited.

The ultimate parent undertaking and controlling party is STV Group plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of STV Group plc consolidated financial statements can be obtained from the company secretary at Pacific Quay, Glasgow, G51 1PQ.