

Company Registration No. 00548648 (England and Wales)

**INDEPENDENT TELEVISION NEWS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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# INDEPENDENT TELEVISION NEWS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	K L A Mullins	
	R Corp	(Appointed 1 September 2022)
	D Turness	(Resigned 31 August 2022)
	D M Conway	
	G W Linnebank	
	C R Cox	
	A O Mullins	
	A Jain	
	<b>Secretary</b>	J H Scorer
	<b>Company number</b>	00548648
	<b>Registered office</b>	200 Grays Inn Road London WC1X 8XZ
	<b>Statutory Auditor</b>	MHA MacIntyre Hudson London EC2Y 5AU
	<b>Business address</b>	200 Grays Inn Road London WC1X 8XZ

# **INDEPENDENT TELEVISION NEWS LIMITED**

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# INDEPENDENT TELEVISION NEWS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The Directors present the strategic report for the year ended 31 December 2022.

The Companies Act 2006 requires the Company to set out in this report a fair review of the business of the Group during the year ended 31 December 2022, including an analysis of the Group's position at the end of the financial year. The information that fulfils these requirements in conjunction with this Strategic Report can be found in the Directors' Report.

#### Business review

With the impacts of the pandemic now largely passed, the Group displayed strong revenue and profit growth for the year supported by factors such as a burgeoning TV Production business and a busy news agenda.

The Group's revenues increased by 30% to £164.4m in the year (2021: £126.1m), though noting that a proportion of this revenue was not profit-generating as it related to pass-through revenue linked to increased newsgathering activity. Group pre-tax profit for the year stood at £9.0m for the year, up from £3.3m the previous year. Much of this increased profitability related to the re-sale of news archive content. With growth also supported by strong demand for the Group's TV Production output, as well as acting as host broadcaster for the World Athletics Championships in Oregon during the summer of 2022.

ITV News's year was bookended by two major programme launches for ITV News. Firstly, in March, ITV Evening News – the UK's most-watched commercial national news programme – was revamped and relaunched, with Mary Nightingale fronting an expanded hour-long programme with an even greater focus on reporting from outside London to reflect the whole of the UK. This was followed in December by the launch of ITVX, ITV's new streaming platform, which includes a dedicated section for ITV News, giving viewers a new way to keep up to date with the stories of the day.

At home, the team produced a significant amount of programming to mark the death of Her Late Majesty Queen Elizabeth II, including a special programme for the State Funeral, open-ended live broadcasts throughout the mourning period, and a DCMS-commissioned special programme shown to the public in Hyde Park.

Further afield, the Ukraine war saw extensive reporting, both from the UK and on the frontline of the conflict. The coverage has received national accolade. Throughout the year, ITV News's Ukraine content remained highly praised, culminating in a Royal Television Society ("RTS") nomination for Dan River's coverage of War Crimes in Bucha at the RTS Journalism awards in early 2023.

Other editorial highlights included major exclusives on the so-called 'Partygate' scandal, exposing misogyny and sexual abuse within the fire service and an interview with Kevin Federline.

ITV News's journalism was celebrated with six RTS awards, including News at Ten winning Network Programme of the Year for the second year running. The team also won International Emmy and Bafta awards for its reporting from inside the riot in Washington's Capitol building in 2021.

For Channel 4 News, 2022 marked the start of Esme Wren's appointment as the new editor and saw a number of new appointments right across the newsroom.

On screen, Channel 4 News continued its proud record of outstanding foreign news coverage, from live presentation on the first night of Russia's invasion of Ukraine to Jamal Osman obtaining rare access to extremist group Al Shabaab.

## INDEPENDENT TELEVISION NEWS LIMITED

### STRATEGIC REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

At home, the teams delivered stand-out programming to mark Her Late Majesty The Queen's Lying-in-State and State Funeral, alongside telling the real-life stories from communities nationwide, including those struggling with the rising cost of living.

The programme's audiences continued to grow year on year, and now averages at 750,000 adult viewers in the United Kingdom. The programme had over 2 billion minutes of content viewed online in 2022, with much of its output driven by outstanding Ukraine coverage.

As Channel 4 News expanded its multi-platform offer, it launched its Fourcast podcast in video format, and its award-winning digital output drove huge global audiences, now counting close to 12 million social followers and averaging over 60 million total video views monthly on social media.

The programme's biggest platform, YouTube now registers over 40% of its audience as under 34. TikTok is a growing platform for Channel 4 News, where around 66% of the audience is under 34. Followers there grew from 25,000 to over 300,000 in 2022 (+1000%), driven largely by the Ukraine war coverage, as well as an increase in quantity, quality and timeliness of content.

Unreported World – Channel 4 News' current affairs programme– brought bold and distinctive storytelling to British audiences. Its dedicated YouTube channel now counts 1.38 million subscribers amongst its global audience and the programme has recently won at the prestigious Docs Without Borders Film Festival.

Channel 4 News now looks ahead to the launch of a brand-new studio in Leeds later this year as it extends its commitment to and investment in regional production. The service is already building a dynamic new team and contributing significantly to the rapidly evolving local, cultural economy in the city.

5 News' extended hour-long bulletin went from strength to strength in 2022. Dan Walker joined the programme in June, co-presenting alongside Claudia-Liza Vanderpuije, and the bulletin has established a distinctive format. Regular features including 'the low down', '5 things you need to know' and 'around the world' bring to life the day's headlines, while the 5 Phone continues to facilitate a rich dialogue with viewers.

On-air, the team of familiar faces continued to report on the stories that matter most to viewers around the UK with quality original journalism. Chief Correspondent, Tessa Chapman presented a series exploring neurodiversity and the challenges those with neurodivergent needs face. She also reported an exclusive investigation on child-to-parent abuse, which won a Medical Journalism Association ("MJA") award. Ruth Lipton's reporting on long-Covid was also recognised at the MJA Awards, for her report about children living with the condition.

Additionally, Katie Goodman and Christina Michaels were jointly awarded News Producer of the Year at the Society of Editors' Media Freedom Awards in November. 5 News' on-going coverage of the cost of living crisis has been led by Dan Walker, and this topic will continue to be a focus throughout 2023. And internationally, Tessa Chapman and Julian Druker were deployed at the outbreak of the Russian invasion of Ukraine, both to the border in Poland and to Ukraine; Tessa also reported from Kenya on the impacts of the famine in African countries and the grain shortages as a result of the conflict.

Digitally the team achieved huge growth, with 5 News closing the year with a 0.55% average engagement rate on Facebook (against the 0.40% industry standard) and an average of 4.6m total minutes watched each month on YouTube. In podcasts, the 5 News offering has also expanded including Andy Bell's 'How Did We Get Here?', with more to come in 2023.

Within ITN Productions, the TV Production team had an unprecedented year of success.

## INDEPENDENT TELEVISION NEWS LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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For the first time, more than 1,000 hours of programmes were commissioned or transmitted, from both our London Head Office and Leeds base, and in long-form and short-form originals. This resulted in TV Production revenue growth of more than 40% year-on-year.

The number of broadcasters and streamers for whom the TV Production team produced content grew, as did the number of returning series. There was also further diversification of genres with docu-drama, natural history, and specialist factual programming joining the core areas of true crime, Royal Family documentaries, observational documentary, live topical production, and archive-based programming.

Highlights of the year included the extension of the Jeremy Vine programme on Channel 5 from two hours a day to three and a half hours. The TV Production team's reputation for speed and quality resulted in production of the first of the Prime Ministerial debates, with the Channel 4 programme garnering vast media coverage. 2022 also saw the launch of the Andrew Neil Show on the same channel.

The growth in content for SVODs continued with the global-hit show *Ancient Apocalypse* for Netflix and critically-acclaimed docu-drama, *The Confession*, for Amazon Studios.

Advertising Production's recovery post pandemic did not fully materialise, despite some creative success, leading to a restructuring of this department during the year.

The sports calendar recovered post Covid-19 with a full schedule of World Athletics events taking place for the first time since the pandemic; Five events took place in 2022: the World Race Walking Team Championship in Muscat, Oman, the World Indoor Championships in Belgrade, Serbia, the Under 20 World Athletics Championships in Cali, Columbia, and the World Athletics Championships in Eugene, USA. With the World Championships being held in back-to-back years, preparations also began for the 2023 World Championships in Budapest, Hungary.

Industry News saw growth in its core Industry News film revenues during the year with a rebranding exercise enacted to create a new department named ITN Business, which also encompasses the corporate and hybrid events business units.

Education revenues decreased year-on-year with the effects of the pandemic still being felt as publisher commissions continued to be postponed. However this has resulted in a stronger pipeline for 2023 with commissions confirmed for a number of top tier educational providers.

News Production Services and Archive Services had a very strong year with the successful renewal of a new 5 year licencing deal with Getty for archive content. The Platinum Jubilee and the death of Queen Elizabeth II resulted in an increased demand for the department's services in the year. The events resulted in another year of strong YouTube revenues with the Royal Family Channel and On Demand News gaining a further 2 million new subscribers.

#### Cash management

At 31 December 2022, the Group had £20.4m of cash (2021: £29.5m) due to a continued focus on effective working capital management. Post year-end cash increased significantly due to significant trade debtors transitioning to cash in the early weeks of 2023.

## **INDEPENDENT TELEVISION NEWS LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Future prospects**

The financial plan for 2023 seeks to return the company's profit profile to pre-pandemic growth levels and builds upon ITN's existing strategic priorities, including further developing commercial effectiveness, seeking to protect and grow our margins and to foster innovation across all business divisions including digital acceleration. These points of focus need to be considered in the context of upward pressure on our production and operating costs in the current super-inflationary environment, and the challenges of securing inflationary-level pricing increases from clients.

2023 aims to build on underlying profit growth in Television Production, News and Archive, deliver a more secure commercial standing in the Sport and Education divisions, whilst nurturing innovative growth in ITN Business. The 2023 plan is achievable but ambitious given the current economic environment.

#### **Principal risks and uncertainties**

##### **Risk management**

The Board has ultimate oversight for the Group's systems of internal control and risk management and for reviewing their effectiveness. The Executive Directors and management are responsible for implementing risk and control policies and providing assurance on compliance with these policies. The Group continues to embed internal controls and risk management in the operations of the business.

##### **Operating Environment Risks**

###### **Ukraine Deployments**

The advent of the Ukraine War in February 2022 (and ongoing at the time of signing these accounts) has led to the regular deployment of our newsgathering teams to the country. The risks presented by these newsgathering operations has required a stringent safety management regime, including activity-specific risk assessment, the engagement of embedded security teams, the deployment of safety equipment and 24 hour oversight.

###### **Technology and Property Projects**

Spanning 2022 and 2023, the Group is enacting an ambitious programme of property and technology projects including team relocations and construction within the London headquarters, the introduction of new business systems and technologies and new ways of working related to these projects. These projects present a level of risk to the Group in terms of business continuity considerations, and the financial risk from overruns or failed projects. To date, the projects have been progressing well, supported by a strong governance regime and deeply experience and expert teams.

##### **Financial Risks**

###### **ITN Pension Scheme funding risk**

The ITN Pension Scheme has a significant funding deficit as detailed in Note 19 of the Accounts. Correspondingly, there is ultimately a risk of financial insolvency if the deficit cannot be managed over the long term. The 31 December 2020 Triennial Actuarial Valuation showed a deficit of £130.5m. As part of this valuation the Group has agreed a recovery plan with Scheme Trustees with the aim to

## **INDEPENDENT TELEVISION NEWS LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

protect the Group's ability to fund the deficit in the long term. In addition, the ITN Pension Scheme has been closed to future accrual since 31 March 2010. The Company, in conjunction with the Trustees, continues to evaluate options to reduce the risk further.

The accounting deficit for the Scheme has decreased by £19.3m to £103.4m at the reporting date (2021: £122.7m), which resulted from changes to actuarial assumptions, predominantly an increase in the discount rate.

#### **Volatile economic environment**

At the time of signing these accounts, the conflict in Ukraine continues. This situation has compounded cost pressures such as rising utilities costs, and some structural changes such as the increased employer national insurance contributions introduced by the UK Government. Exposures such as these, and the backdrop of surging inflation, were not fully anticipated at the time of the Group budgeting process. Accordingly, mitigations are being put in place to limit these exposures such as identifying cost savings, and contract renegotiations to remain within budgeted spend.

#### **Reliance on key contracts**

In the interests of assisting business certainty and mitigating risk, where possible, the Company endeavours to enter into long-term contracts with its key customers. In this regard, the Company generates more than half of its revenue from a number of high value contracts, most notably with ITV and Channel 4. Damage to or loss of any of these relationships could have a direct and potentially material effect on the Group's results. The Executive Directors regularly meet with key customers and review the relationships to ensure that the Company continues to meet their respective needs.

#### **Reputational Risks**

##### **Damage to journalistic reputation**

The Group's reputation for journalistic integrity could be damaged if there is a major editorial error or regulatory breach or ITN is perceived as failing to produce accurate and impartial news. The Group has strict internal compliance processes, with the aim of minimising and mitigating legal compliance exposure and reputational risk. The Group has an internal compliance team supported by external legal counsel. All employees and contract staff are briefed on and required to read the Group's Compliance Manual as part of their induction, and this is periodically updated and reissued. Staff are provided with regular compliance training.

##### **Failure or interruption of or denial of access to broadcast or information technology systems and infrastructure**

The Group's ability to meet its requirements under its broadcast and production agreements is dependent on the Group's broadcast and information technology systems. Any system interruption due to incidents such as denial of service attacks, infrastructure failure or damage could seriously impact the Group's ability to meet these requirements. A cyber / viral attack or hijack of social media could also cause prolonged system denial, loss of intellectual property or substantial damage to the reputation of the Group. The Group has business continuity and disaster recovery plans in place and these are regularly reviewed. In addition, the Group regularly reviews the security of its systems and has security protocols and procedures in place.

#### **People Risks**

##### **Loss of key personnel**

The performance of the Group depends on its ability to continue to attract, motivate and retain key staff. The loss of key personnel could impact the Group's ability to operate effectively or result in a loss of knowledge and experience. The Executive Directors and Remuneration Committee monitor the levels and structure of remuneration for senior management and seek to ensure that they are designed to attract, retain and motivate talent. The Group aims to provide conditions for fulfilling careers for all employees through remuneration and benefits and career development opportunities.



## **INDEPENDENT TELEVISION NEWS LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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In Autumn 2022, the Board appointed a new CEO, Rachel Corp, to lead the Group.

#### **Control risks**

##### **Financial controls**

The Group has established a framework of internal financial control, the key elements of which are:

- The Board has responsibility for approving the overall Group strategy, for approving income and capital budgets and determining plans for the financial structure of the Group. Monthly results and variances from budgets and forecasts are reported to the Board.
- There is a comprehensive process for performing annual strategy reviews and budgeting and quarterly forecasting.
- There is an organisational structure with clearly defined lines of responsibility and approval controls identifying transactions requiring Board approval with the Chief Financial and Operations Officer holding responsibility for leadership and the development of the Group's finance activities.

##### **Non-financial controls**

The Group has established a wide range of non-financial controls covering areas such as legal and regulatory compliance, anti-bribery, health and safety, employment and business continuity. The effectiveness of these is reviewed by the Executive Team, the Board and through the Operations and Risk Group (comprising relevant senior management representatives).

#### **Section 172 (1) Statement**

The Board of Directors consider that they have acted in a way that would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have had regard to the following matters.

##### **Likely consequences of any decision in the long term**

The most material long term financial consideration for the Group is its legacy defined benefit pension scheme. The Executive Directors regularly meet with the Trustees of the ITN Pension Scheme to ensure that the Group is fulfilling all of its duties to the members of the Scheme, particularly ensuring that the Group makes the agreed contributions to the Scheme's deficit and provides strategic input as required. Regular cashflow reviews and re-forecasts are performed to ensure that the Group is in a position to meet these contributions.

##### **Interests of Company's employees**

The Company's staff are fundamental to the success of the business. The Company has implemented a wide variety of measures to ensure that as an employer it communicates openly and regularly with this workforce, promotes fairness and diversity and ensures that feedback is received and acted upon.

##### **Business relationships**

Relationships with key customers and suppliers are integral to the ongoing success of the Company. Management regularly meet with these customers and suppliers to promote a partnership-like relationship with them. This is particularly important with regards to the management of the news contracts given that editorial choices carry a reputational risk for both the client broadcaster and the Company.

##### **Sustainability**

The Group is committed to being socially and environmentally responsible. In 2022, we made further progress on our Sustainability Strategy, launched the previous year. A key target within the strategy was for ITN to become a carbon-neutral organisation, and this was achieved in 2022. In this regard, we

## INDEPENDENT TELEVISION NEWS LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

offset our entire 2021 carbon footprint via the BAFTA-affiliated environmental awareness organisation Albert's Creative Offset scheme. In addition, ITV News, Channel 4 News and all of our UK-broadcast non-news TV productions are all now Albert certified.

We will continue to offset each year while simultaneously taking further steps to reduce our carbon footprint as we push towards our long-term target of achieving net zero. The Company's Streamlined Energy & Carbon Reporting data for 2022 can be found on page 9.

#### **Maintaining a reputation for a high standard of business conduct**

Reputable journalism and output is key to ensuring that the Group is trusted to tell the world's stories. The Group accordingly issues a Compliance Handbook to every relevant staff member and freelance worker. The Board of Directors endeavours to ensure that the Group is conducting business to the highest standard, particularly in relation to key legislation such as the Human Rights, Modern Slavery, Anti-Corruption and Anti-Bribery Acts.

#### **The need to act fairly as members of the Group**

All of the Group's shareholders have the right to appoint a member to the Board of Directors. The Board meets at least six times a year and is regularly updated on the financial and non-financial progress of the Group.

By order of the Board



J H Scorer  
Secretary  
22 March 2023

## **INDEPENDENT TELEVISION NEWS LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Directors present their Annual Report and audited financial statements for the year ended 31 December 2022.

#### **Principal activities**

The principal activities of the Group are described as:

- Provision of daily scheduled news programmes for ITV, Channel 4 and Channel 5;
- Provision of television programmes across multiple genres including factual, entertainment and current affairs for both national and international broadcasters and streamers;
- Production of live sports coverage, clips and programmes;
- Corporate production services including corporate programming, educational, live events and Industry News production services;
- Licensing on-the-day news, archive footage and short form content.

#### **Directors**

The Directors who held office during the year, were as follows:

K L A Mullins  
R Corp (appointed 1 September 2022)  
D Turness (resigned 31 August 2022)  
D M Conway  
G W Linnebank  
C R Cox  
A O Mullins  
A Jain

#### **The Board**

The Board's primary tasks are agreeing the Group's overall strategy as proposed by the Executive Directors, the enhancement of shareholder interests, the approval of revenue and capital plans, the maintenance of controls to ensure effective operations, oversight of controls, audit and risk management, the approval of accounts and the review and approval of remuneration policies. The Board is committed to appropriate standards of corporate governance.

The Board meets for scheduled meetings regularly throughout the year and is chaired by K L A Mullins. To enable the Board to perform its duties, the Directors have full access to all relevant information and to the services of the Company Secretary.

#### **The Audit Committee**

The Audit Committee currently comprises all Non-Executive Directors with A O Mullins as Chair. The Executive Directors attend the Audit Committee as requested. The Committee reviews the Group's annual financial statements before submission to the Board for approval. The Committee also reviews reports from the external auditors on accounting and control matters. Where appropriate, the Committee monitors the progress of action taken in relation to such matters. The Committee also recommends the appointment and reviews the fees of the external auditors.

## INDEPENDENT TELEVISION NEWS LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### The Remuneration Committee

The Remuneration Committee currently comprises all Non-Executive Directors with G W Linnebank as Chair. The Committee does not retain a firm of remuneration consultants but seeks professional advice on an ad hoc basis.

In determining the remuneration packages of the Executive Directors, the Committee has regard to the importance of recruitment, motivation and retention of quality management. Base salary and benefits are determined on an annual basis by the Committee after a review of the individual's performance, market trends and the UK inflation rate and Group performance. For guidance, the Committee has regard to available research and published remuneration information on comparable companies. Benefits include the Group pension scheme; salary security and disability cover; health insurance and death in service cover..

A small number of senior management participate in a Long Term Incentive Plan to promote longer term performance and retention, which is contingent on aggregate profit exceeding certain targets. In 2022 there was a plan for the three years ended 31 December 2024, with the payment due to be made in 2025. A similar three year scheme is planned to be launched in 2023.

#### Results and dividends

The results for the year are set out on page 18.

No interim dividends were paid in 2022 (2021: £nil). The Directors do not recommend payment of a final dividend for 2022 (2021: £nil).

#### Streamlined Energy & Carbon Reporting

As of 2020, UK law requires the Group to report certain greenhouse gas emissions from UK operations under the SECR (see table below). This table has been compiled based on detailed emissions data (see section 172(1) statement).

	2022
Emissions from combustion of gas (Scope 1 - tonnes of CO <sub>2</sub> e)	5
Emissions from combustion of fuel for transport purposes (Scope 1 - tonnes of CO <sub>2</sub> e)*	2,453
Emissions from electricity purchased for own use (Scope 2 - tonnes of CO <sub>2</sub> e)	2,418
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 - tonnes of CO <sub>2</sub> e)	804
<b>Total gross CO<sub>2</sub>e based on above</b>	<b>5,680</b>
<b>Tonnes of CO<sub>2</sub>e per £m revenue</b>	<b>34.5</b>

\* based on best available data available at reporting date

#### Financial risk management

##### Treasury management

The Group operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the Group's activities.

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## **INDEPENDENT TELEVISION NEWS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Credit, liquidity and foreign exchange risk and management**

The Group's principal financial assets are bank balances, cash, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables which are principally due from major broadcasters, thereby reducing recovery risk. Liquid funds are held with financial institutions that are regularly reviewed by the Treasury function. The Group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business.

There is a risk that there are insufficient funds available for ongoing operations and future developments. The Group manages its exposure by continuously monitoring short and long-term forecasts and actual cash flows to ensure sufficient funds are available.

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates. There is a degree of operational hedging, with revenues and costs arising in foreign currencies through the operation of the overseas news bureaux and ITN Productions' operations.

#### **Going concern**

The Group made a profit after tax of £6.5m in the year to 31 December 2022. It had net current assets of £15.7m and, after accounting for the Pension Scheme deficit, net liabilities of £59.2m. The Group's activities are funded out of operating cash flows. At 31 December 2022, the Group had a cash balance of £20.4m.

At 31 December 2022, the ITN Pension Scheme had a deficit under Financial Reporting Standard 102 of £103.4m (Note 19) with £4.8m of pension contributions made during the year. The triennial actuarial valuation of the scheme at 31 December 2020 and associated recovery plan were completed in 2021 showing a deficit of £130.5m. These have been agreed with the Trustees of the ITN Pension Scheme. The Directors believe that the associated agreed funding plan enables appropriate contributions to be made to the Scheme to reduce the deficit, whilst ensuring that the contributions are affordable, thereby allowing the Group to continue to grow the business. Current forecasts show the Group is able to fund its pension deficit contributions.

ITN has seen a good recovery from the effects of the Covid-19 pandemic and continues to prove its resilience in adversity. The Group has witnessed markets continuing to recover to pre-pandemic levels of trading with a positive impact being felt in a number of business units.

The Group will also continue to benefit from structural factors such as a high proportion of contracted revenue, meaning that it is better placed than many other television production companies in the unlikely event that we have a repeat of the 2020 business environment.

The resilience of the Group over the past years, and its proven ability to withstand unprecedented levels of downside risk, provides reasonable confidence to the Directors that the Group remains able to continue as a going concern at the date of signing these Financial Statements. For these reasons, the going concern basis continues to be adopted in preparing the Annual Report and financial statements.

#### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that the appropriate training is

## **INDEPENDENT TELEVISION NEWS LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Employee involvement**

The Group employed 820 employees at 31 December 2022, and also engages freelancers who are contracted on specific assignments and projects. The Group's policy is to communicate openly with employees through regular meetings and briefings, and to consult on and discuss matters likely to affect employees' interests directly, and through employee representative groups and unions. Information on matters of concern to employees is given through the intranet site, information bulletins, CEO emails, strategy sessions and reports which seek to achieve a common awareness on the part of all employees of the financial and market factors affecting the Group's performance.

A cross-company staff forum has also been established to give a voice to every part of ITN, and to generate ideas to improve employees' working lives.

#### **Business relationships**

Relationships with key customers and suppliers are integral to the ongoing success of the Group. Further detail is included within the Strategic Report section 172 (1) statement.

#### **Diversity and Inclusion**

ITN is proud to be a diverse and inclusive place to work and believes that attracting and retaining people from as wide a range of backgrounds as possible helps us to be at our most creative, innovative and distinct in what we do. The Group firmly believes in creating a working environment that is free from all kinds of discrimination and harassment and will not permit or tolerate discrimination in any form. The Group's Diversity and Inclusion Forum, which is made up of employees from each division who are passionate about diversity and inclusion, oversee a number of initiatives each year to ensure ITN is an inclusive and representative place to work.

The importance of employee training and development is recognised at all levels, with training programmes being focussed on giving staff the skills they need to effectively perform their roles and develop their careers, whilst ensuring there is a pipeline of talent within the Group.

#### **Directors' indemnity**

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) were in force during the year and up to and including the date of the Directors' report for the benefit of the Directors of the Group.

#### **Auditor**

MHA MacIntyre Hudson were appointed as auditor during 2021 following a competitive tender process. In accordance with section 485 of the Companies Act 2006, a resolution that they or another suitable audit firm will be re-appointed will be proposed at future Board and Audit Committee Meetings as appropriate.

## **INDEPENDENT TELEVISION NEWS LIMITED**

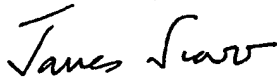
### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Statement of disclosure to auditor**

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the Group is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the Group is aware of that information.

Approved for issue by the Board of Directors.



**J H Scorer**  
Secretary  
22 March 2023

## **INDEPENDENT TELEVISION NEWS LIMITED**

### **DIRECTORS' RESPONSIBILITY STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

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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 Group and parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ((United Kingdom Accounting Standards and applicable law), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 Group and parent Company and of the profit or loss of the Group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent Company will continue in business.

*The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent 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 Group and parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.*

*The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.*



## **INDEPENDENT TELEVISION NEWS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDEPENDENT TELEVISION NEWS LIMITED**

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#### **Opinion**

We have audited the financial statements of Independent Television News Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2022 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parents Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

## INDEPENDENT TELEVISION NEWS LIMITED

### TO THE MEMBERS OF INDEPENDENT TELEVISION NEWS LIMITED

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We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of directors**

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, and for such internal control as the Directors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations;
- We considered the nature of the group's industry and its control environment and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities and fraud;
- We performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business

## INDEPENDENT TELEVISION NEWS LIMITED

### TO THE MEMBERS OF INDEPENDENT TELEVISION NEWS LIMITED

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rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;

- We discussed among the audit engagement team including relevant internal specialists, the opportunities and incentives that may exist within the organisation for fraud, and how and where fraud might occur in the financial statements
- We reviewed minutes of meetings of those charged with governance for any possible litigation or known instances of fraud;
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### Use of our report

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 Auditors' 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.



Neil Stern FCA (Senior Statutory Auditor)

for and on behalf of  
MHA MacIntyre Hudson, Statutory Auditors  
London, United Kingdom

Date: 4/04/2025

# INDEPENDENT TELEVISION NEWS LIMITED

## CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Revenue	3	164,412	126,097
Cost of sales		(132,538)	(100,368)
Gross profit		31,874	25,729
Other income	8	294	216
Administrative expenses		(20,315)	(19,720)
Operating Profit	4	11,853	6,225
Income from other fixed asset investments		427	451
Share of profits/(losses) of joint venture	12	102	(51)
Other finance costs	9	(4,010)	(3,310)
Past service pension costs	9	584	-
Profit on ordinary activities before taxation		8,956	3,315
Taxation	10	(2,412)	1,615
Profit for the financial year		6,544	4,930

The income statement has been prepared on the basis that all operations are continuing operations.

**INDEPENDENT TELEVISION NEWS LIMITED****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	Notes	2022 £'000	2021 £'000
Profit for the year		6,544	4,930
Actuarial gains on defined benefit pension schemes		17,553	38,546
Tax relating to other comprehensive income	10	(4,671)	(3,047)
Other comprehensive income for the year		12,882	35,499
<b>Total comprehensive income for the year</b>		<b>19,426</b>	<b>40,429</b>

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# INDEPENDENT TELEVISION NEWS LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Property, plant and equipment	11	8,965	4,665
Investments	12	700	598
Deferred Tax	15	21,257	30,127
<b>Total non-current assets</b>		<b>30,922</b>	<b>35,390</b>
<b>Current assets</b>			
Inventories and work in progress	14	1,020	1,569
Trade and other receivables	15	39,064	19,038
Cash and cash equivalents		20,386	29,536
<b>Total current assets</b>		<b>60,470</b>	<b>50,143</b>
Trade and other payables	16	(44,739)	(38,856)
<b>Total current liabilities</b>		<b>(44,739)</b>	<b>(38,856)</b>
<b>Net current assets</b>		<b>15,731</b>	<b>11,287</b>
<b>Total assets less current liabilities</b>		<b>46,653</b>	<b>46,677</b>
Provisions for liabilities	17	(2,499)	(2,624)
Defined benefit pension liability	19	(103,390)	(122,716)
<b>Total non-current liabilities</b>		<b>(105,889)</b>	<b>(125,340)</b>
<b>Net liabilities</b>		<b>(59,236)</b>	<b>(78,663)</b>
<b>Equity</b>			
Called-up share capital	20	400	400
Profit and loss account		(59,636)	(79,063)
<b>Total equity</b>		<b>(59,236)</b>	<b>(78,663)</b>

The financial statements were approved by the Board of Directors and authorised for issue on 22<sup>nd</sup> March 2022 and are signed on its behalf by:



**D M Conway**  
Director

22<sup>nd</sup> March 2022  
Company Registration No. 00548648


# INDEPENDENT TELEVISION NEWS LIMITED

## COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Property, plant and equipment	11	8,965	4,665
Investments	12	-	-
Deferred Tax	15	21,257	30,127
<b>Total non-current assets</b>		<b>30,222</b>	<b>34,792</b>
<b>Current assets</b>			
Inventories and work in progress	14	1,020	1,569
Trade and other receivables	15	39,295	19,255
Cash and cash equivalents		20,223	29,387
<b>Total current assets</b>		<b>60,538</b>	<b>50,211</b>
Trade and other payables	16	(44,739)	(38,856)
<b>Total current liabilities</b>		<b>(44,739)</b>	<b>(38,856)</b>
<b>Net current assets</b>		<b>15,799</b>	<b>11,355</b>
<b>Total assets less current liabilities</b>		<b>46,021</b>	<b>46,147</b>
Provisions for liabilities	17	(2,499)	(2,624)
Defined benefit pension liability	19	(103,390)	(122,716)
<b>Total non-current liabilities</b>		<b>(105,889)</b>	<b>(125,340)</b>
<b>Net liabilities</b>		<b>(59,868)</b>	<b>(79,193)</b>
<b>Equity</b>			
Called-up share capital	20	400	400
Profit and loss account		(60,268)	(79,593)
<b>Total equity</b>		<b>(59,868)</b>	<b>(79,193)</b>

The Directors of the Company have elected not to include a copy of the profit and loss account within the financial statements. The Company profit for the year was £6,442,000 (2021: £4,982,000).

The financial statements were approved by the Board of Directors and authorised for issue on 22 March 2023 and are signed on its behalf by:

  
P M Conway  
Director

22<sup>nd</sup> March 2023

Company Registration No. 00548648

# INDEPENDENT TELEVISION NEWS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2021		400	(119,492)	(119,092)
Year ended 31 December 2021:				
Profit for the year		-	4,930	4,930
Other comprehensive income:				
Actuarial gains on defined benefit plans	19	-	38,546	38,546
Tax relating to other comprehensive income	10	-	(3,047)	(3,047)
Total comprehensive loss for the year		-	40,429	40,429
Balance at 31 December 2021		400	(79,063)	(78,663)
Year ended 31 December 2022:				
Profit for the year		-	6,544	6,544
Other comprehensive income:				
Actuarial gains on defined benefit plans	19	-	17,554	17,554
Tax relating to other comprehensive income	10	-	(4,671)	(4,671)
Total comprehensive gain for the year		-	19,427	19,427
Balance at 31 December 2022		400	(59,636)	(59,236)



# INDEPENDENT TELEVISION NEWS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2021		400	(120,074)	(119,674)
Year ended 31 December 2021:				
Profit for the year		-	4,982	4,982
Other comprehensive income:				
Actuarial losses on defined benefit plans	19	-	38,546	38,546
Tax relating to other comprehensive income	10	-	(3,047)	(3,047)
Total comprehensive loss for the year		-	40,481	40,481
Balance at 31 December 2021		400	(79,593)	(79,193)
Year ended 31 December 2022:				
Profit for the year		-	6,442	6,442
Other comprehensive income:				
Actuarial gains on defined benefit plans	19	-	17,553	17,553
Tax relating to other comprehensive income	10	-	(4,671)	(4,671)
Total comprehensive gain for the year		-	19,324	19,324
Balance at 31 December 2022		400	(60,269)	(59,869)

# INDEPENDENT TELEVISION NEWS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations before pension scheme cash movements	27	2,265	14,905
Pension scheme contributions		(5,142)	(6,542)
Cash generated from operations		(2,877)	8,363
Income taxes recovered		257	243
Income taxes paid		(432)	(392)
Net cash inflow/(outflow) from operating activities		(3,052)	8,214
<b>Investing activities</b>			
Purchase of property, plant and equipment		(6,625)	(924)
Interest received		100	21
Other investment income received		427	451
Net cash used in investing activities		(6,098)	(452)
Net (decrease)/increase in cash and cash equivalents		(9,150)	7,762
Cash and cash equivalents at beginning of year		29,536	21,774
Cash and cash equivalents at end of year		20,386	29,536

# **INDEPENDENT TELEVISION NEWS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1. Accounting policies**

#### **Company information**

Independent Television News Limited ("the Company") is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is 200 Grays Inn Road, London, WC1X 8XZ.

The Group consists of Independent Television News Limited and all of its subsidiaries.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report on pages 1-7.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £'000, unless otherwise stated.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes. The Company's profit for the year is disclosed below the Company Statement of Financial Position.

The parent Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to disclosure of the Company income statement, related party transactions, financial instruments and presentation of a cash flow statement.

#### **1.2 Basis of consolidation**

The Group financial statements consolidate the financial statements of Independent Television News Limited and its subsidiary undertakings up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

The Group's investment in associates and joint ventures is accounted for by recognising the Group's share of the post-acquisition profit and losses. If the Group's share of losses in an associate or a joint venture equals its investment, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture, in which case a provision is recognised.

#### **1.3 Going concern**

The Group has net current assets of £15.7m and, after accounting for the pension scheme deficit and provisions for liabilities, has net liabilities of £59.2m as at 31 December 2022. The Group's activities are funded out of operating cash flows.

## INDEPENDENT TELEVISION NEWS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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At 31 December 2022, the ITN Pension Scheme had a deficit under Financial Reporting Standard 102 of £103.4m (Note 19). The triennial actuarial valuation of the scheme at 31 December 2020 and associated recovery plan were completed in 2021 showing a deficit of £130.5m. They have been agreed with the Trustees of the ITN Pension Scheme. The Directors believe that the associated funding plan enables the Company to make appropriate contributions to the Scheme to reduce the deficit whilst continuing to grow the business. Current forecasts show that the Group is able to fund its pension deficit contributions.

The Directors have made enquiries and considered the cash flow forecasts of the Group for a period of 12 months from the date of signing these accounts. The Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the going concern basis continues to be adopted in preparing these Financial Statements.

#### 1.4 Revenue

Group revenue comprises the value of sales of services (excluding VAT and similar taxes and intra Group transactions).

Revenue from the sale of services is recognised when the significant risks and rewards of ownership have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue represents, in the case of long-term contracts, the proportion of the contract value applicable to the activity in the period, ascertained by reference to the extent to which contractual obligations have been carried out. Programme revenue is recognised in line with the specific licence agreement or on delivery or broadcast of the product. Programme revenue generated from series accepted by a customer upon delivery of a full series is recognised per episode on a stage of completion basis once an edit of each episode has been delivered to the customer.

#### 1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment:	Lower of useful economic life (between 5 and 10 years) or lease term
Fixtures and fittings:	Lower of useful economic life (between 1 and 10 years) or lease term
Motor vehicles:	4-5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

Under the news provision contracts, the broadcasters may contribute funds for the purchase of necessary equipment. Such assets are capitalised and amortised over the expected useful economic life. Capital contributions received from broadcasters to fund the expenditure are included in accruals and deferred income when received or receivable from the broadcaster and credited to the income statement over the expected useful economic life of the relevant asset.

## INDEPENDENT TELEVISION NEWS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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Assets under construction are held at cost less any impairment losses and will be added to the relevant pool and depreciated once the asset is available for use.

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and joint ventures are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the Group has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities. These are accounted for under the equity method in the Group balance sheet and the lower of cost and net realisable value in the Company balance sheet.

#### 1.7 Inventory and work in progress

Production related work in progress comprises the costs incurred in producing a programme or series of programmes, where the programme or series is part way through the productions process and not yet available for delivery to a customer. The work in progress is recognised within current assets as production cost incurred and is recognised on delivery. Inventories and work in progress are recognised at the lower of cost and net realisable value.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

## INDEPENDENT TELEVISION NEWS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables and loans from fellow Group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when, and only when, the obligation specified in the contract is discharged, cancelled, or expires.

#### **1.10 Equity Instruments**

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

#### **1.11 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 Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. Deferred tax is calculated using tax rates and tax laws that have been enacted or substantively enacted at the reporting date that are expected to apply as and when the associated timing differences reverse.

The carrying amount of deferred tax assets is reviewed at each reporting end 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 at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if,

## INDEPENDENT TELEVISION NEWS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

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there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.12 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

The Group's property provisions have been discounted to the present value of future lease obligations net of estimated sub-lease income and related costs of leasehold property where the space is vacant or currently not planned to be used for ongoing operations.

Under the terms of a number of property leases, the Group is required to re-instate certain aspects of the property on lease expiry. The Group has estimated the expected present value costs of these dilapidations and charges these costs to the Income Statement with the associated unwinding also going to the Income Statement.

The Group's Salary Security provision has been discounted to the present value of net payments to staff less any applicable receipts from insurance companies.

The periodic unwinding of the discount is treated as an imputed interest charge and is disclosed under interest payable and similar charges. Management make an annual assessment of the appropriateness of the assumptions. Any resulting changes in assumptions are charged within the income statement.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of fixed assets.

An expense is recognised in the profit and loss account when the group has a legal or constructive obligation to make payments under annual bonus plans as a result of past events and a reliable estimate of the obligation can be made.

The group operates cash-settled long term incentive plans at an operating business level for certain members of senior management. The plans are based on the business's performance over a three-year period against budget on a variety of measures, including revenue growth, an adjusted operating profit measure, cash targets and an individual's personal targets in developing the business. A liability for the plan is raised on the estimated amount payable in terms of the incentive scheme plans.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## INDEPENDENT TELEVISION NEWS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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With effect from 31 March 2010, the Group closed the ITN Defined Benefit Pension Scheme to future service accrual.

The defined benefit scheme assets are held separately from those of the Group, in trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the statement of financial position.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

#### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing in the finance system at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the year.

#### 1.17 Government Grants

Furlough income received from the Coronavirus Job Retention Scheme is recognised in the income statement as other income under the performance model over the period of furlough.

## 2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

There are no critical accounting judgements for consideration, but the key sources of estimation uncertainty are detailed below.



## INDEPENDENT TELEVISION NEWS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### *Valuation of the pension scheme liability*

Measurement of the defined benefit pension liability requires estimation of a suitable discount rate, expected rate of inflation and future benefit payments along with assumptions about mortality rates. The most significant of these are the discount rate and inflation assumptions. The net pension liability as at the balance sheet date was £103.4 million (2021: £122.7 million) as set out in Note 19.

#### *Deferred tax assets*

Recoverability of deferred tax assets requires estimation of the future profitability of the Group and in particular the ability of the Company to generate profits in excess of pension contributions. Management's assessment of future profitability provides the expectation that profits will be sufficient to cover pension funding, and hence utilise the deferred tax asset. The deferred tax asset at the balance sheet date was £25.3 million (2021: £31.3 million) as set out in Note 18.

#### *Dilapidations*

Provision is made for dilapidations. This requires management's best estimate of the expenditure that will be incurred based on contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement. For further details and range of potential provision values, see note 17.

### 3 Revenue

An analysis of the Group's revenue is as follows:

	2022 £'000	2021 £'000
News	109,026	92,291
Productions	55,386	33,806
<b>Total revenue</b>	<b>164,412</b>	<b>126,097</b>

Revenue analysed by geographical market:

	2022 £'000	2021 £'000
United Kingdom	151,106	115,945
Rest of the World	13,306	10,152
	<b>164,412</b>	<b>126,097</b>

### 4 Operating profit

	2022 £'000	2021 £'000
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(577)	46
Depreciation of owned property, plant and equipment	2,325	2,242
Loss on disposal of property, plant and equipment	-	38
Operating lease charges	4,502	4,858
Salary security insurance receipts	(409)	(437)

## INDEPENDENT TELEVISION NEWS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### 5 Auditor's remuneration

##### Auditors remuneration

	2022 £'000	2021 £'000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	70	70
	<u>70</u>	<u>70</u>
For other services		
Other taxation services	-	-
	<u>-</u>	<u>-</u>

For the year ended 31 December 2022, the Company has taken the exemption under section 479C of the Companies Act 2006 relating to the audit of its subsidiary accounts.

#### 6 Employees

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

	2022 Number	2021 Number
Editorial and Technical	608	558
Sales, Administration and Management	171	169
	<u>779</u>	<u>727</u>

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	50,278	45,332
Social security costs	5,775	5,081
Pension costs	3,557	3,492
	<u>59,610</u>	<u>53,905</u>

# INDEPENDENT TELEVISION NEWS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 7 Directors' remuneration

	2022 £'000	2021 £'000
Remuneration for qualifying services	872	732
Company pension contributions to defined contribution schemes	38	39
	<u>910</u>	<u>771</u>

Remuneration for qualifying services includes amounts accrued for bonus purposes.

We consider both our Executive and Non-Executive Directors to be key management personnel.

There are 2 directors for whom retirement benefits are accruing under defined contribution schemes (2021: 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £'000	2021 £'000
Remuneration for qualifying services	373	240
Company pension contributions to defined contribution schemes	24	24
	<u>397</u>	<u>264</u>

The Remuneration Committee, which includes representatives of all the shareholders, put in place a three-year Long-Term Incentive Plan beginning for the year 2022. The plan is based on aggregate operating profit reaching certain thresholds over the three-year period, with the payment being made in 2025. The costs of this plan are recognised in current liabilities.

### 8 Other income

	2022 £'000	2021 £'000
Other investment income	100	21
Research and Development expenditure credit	194	195
	<u>294</u>	<u>216</u>

# INDEPENDENT TELEVISION NEWS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 9 Finance costs

	2022 £'000	2021 £'000
Other finance costs:		
Interest on the net defined benefit liability	3,369	3,228
Unwinding of discount on provisions	57	82
<b>Total finance costs</b>	<b>3,426</b>	<b>3,310</b>

### 10 Taxation

	2022 £'000	2021 £'000
<b>Current tax</b>		
UK corporation tax on profits for the current year	1,855	1,515
UK corporation tax adjustments in respect of prior years	(20)	33
<b>Total UK current tax</b>	<b>1,835</b>	<b>1,548</b>
Foreign current tax on profits for the current year	119	30
<b>Total current tax</b>	<b>1,954</b>	<b>1,578</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	369	291
Effect of change in rate on deferred tax balance	924	(2,766)
Adjustment in respect of prior periods	(31)	(70)
Adjustment in respect of pension-related timing differences	(804)	(648)
<b>Total deferred tax</b>	<b>458</b>	<b>(3,193)</b>
<b>Total tax charge</b>	<b>2,412</b>	<b>(1,615)</b>

The charge for the year can be reconciled to the profit per the income statement as follows:

	2022 £'000	2021 £'000
Profit on ordinary activities before taxation	8,956	3,315
Expected UK Corporation tax charge using a rate of 19.00% (2020: 19.00%)	1,702	630
Tax effect of expenses that are not deductible in determining taxable profit	(151)	600
Tax effect of income not taxable in determining taxable profit	(153)	(156)
Adjustments in respect of prior years	(29)	47
Foreign tax	119	30
Effect of change in rate on deferred tax balance	924	(2,766)
<b>Tax expense for the year</b>	<b>2,412</b>	<b>(1,615)</b>

# INDEPENDENT TELEVISION NEWS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £'000	2021 £'000
<b>Current tax arising on:</b>		
Actuarial differences recognised as other comprehensive income	(977)	(1,127)
<b>Deferred tax arising on:</b>		
Effect of change in rate on deferred tax balance	1,336	(4,277)
Actuarial differences recognised as other comprehensive income	4,312	8,451
<b>Total tax relating to other comprehensive income</b>	<b>4,671</b>	<b>3,047</b>

### 11 Property, plant and equipment

Group and Company:

	Fixed Plant and Equipment	Office and Technical Equipment	Motor Vehicles	Assets Under Development	Assets Under Construction	Total
<b>Cost</b>						
As at 1st January 2022	12,300	18,519	353	-	351	31,523
Additions	2,510	1,983	291	411	1,430	6,625
Completed Assets	-	-	-	-	-	-
Disposals	-	(47)	-	-	-	(47)
<b>At 31st December 2022</b>	<b>14,810</b>	<b>20,455</b>	<b>644</b>	<b>411</b>	<b>1,781</b>	<b>38,101</b>
<b>Depreciation</b>						
As at 1st January 2022	9,646	16,908	303	-	-	26,857
Provided in year	1,388	908	29	-	-	2,325
Disposals	-	(46)	-	-	-	(46)
<b>At 31st December 2022</b>	<b>11,034</b>	<b>17,770</b>	<b>332</b>	<b>-</b>	<b>-</b>	<b>29,136</b>
<b>Carrying amount</b>						
<b>At 31st December 2021</b>	<b>2,654</b>	<b>1,611</b>	<b>50</b>	<b>-</b>	<b>351</b>	<b>4,665</b>
<b>At 31st December 2022</b>	<b>3,776</b>	<b>2,685</b>	<b>312</b>	<b>411</b>	<b>1,781</b>	<b>8,965</b>

### 12 Fixed asset investments

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Investment in associate	345	345	-	-
Investment in joint ventures	355	253	-	-
<b>Total fixed asset investments</b>	<b>700</b>	<b>598</b>	<b>-</b>	<b>-</b>

# INDEPENDENT TELEVISION NEWS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### Movements in fixed asset investments

Group	Investment in unlisted company £'000	Investments in joint ventures £'000	Total £'000
<b>Cost or valuation</b>			
At 1 January 2022	345	253	598
Share of profits of joint venture	-	102	102
At 31 December 2022	345	355	700
<b>Impairment</b>			
At 1 January 2022	-	-	-
At 31 December 2022	-	-	-
<b>Carrying amount</b>			
At 31 December 2021	345	253	598
At 31 December 2022	345	355	700

### 13 Financial instruments

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	50,281	43,105	50,349	43,173
Equity instruments measured at cost less impairment	700	598	-	-
<b>Total financial assets</b>	<b>50,981</b>	<b>43,703</b>	<b>50,349</b>	<b>43,173</b>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	20,573	14,518	20,573	14,518

Financial assets consist of trade and other receivables, equity investments and cash. These have been classified as financial assets to the extent that they represent liquid cash deposits, investments in non-derivative equity investments or contractual rights to receive cash or another financial asset from another entity.

Financial liabilities consist of trade payables and other payables, accruals and deferred income. These have been classified as financial liabilities to the extent that they represent contractual obligations to deliver cash or another financial asset to another entity.

# INDEPENDENT TELEVISION NEWS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 14 Inventories

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Contract work in progress	1,020	1,569	1,020	1,569

The work in progress above relates wholly to production costs where the programme or series of programmes is not yet ready for delivery.

Inventories recognised as an expense in the period were £1,569,000 (2021: £1,531,000) for both the Group and the Company.

### 15 Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	18,276	4,115	18,276	4,115
Doubtful Debt Provision	(50)	(5)	(50)	(5)
Amounts due from entities with a shareholding interest in the Company	7,150	5,319	7,231	5,872
Amounts due from subsidiary undertakings	81	553	231	217
Other receivables	1,009	976	1,009	976
Prepayments and accrued income	8,583	6,830	8,583	6,830
	35,049	17,788	35,280	18,005
Deferred tax asset (note 18)	4,015	1,250	4,015	1,250
	39,064	19,038	39,295	19,255

Amounts falling due after one year:

Deferred tax asset (note 18)	21,257	30,127	21,257	30,127
<b>Total non-current debtors</b>	<b>21,257</b>	<b>30,127</b>	<b>21,257</b>	<b>30,127</b>

### 16 Current Liabilities

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade payables	558	191	558	191
Amounts due to entities with a shareholding interest in the Company	2,785	1,372	2,785	1,372
Other taxation and social security	6,138	5,294	6,138	5,294
Other payables	3,924	3,599	3,924	3,599
Accruals and deferred income	31,334	28,400	31,334	28,400
	44,739	38,856	44,739	38,856

# INDEPENDENT TELEVISION NEWS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 17 Provisions for liabilities

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Property related	1,839	2,070	1,839	2,070
Salary related	660	554	660	554
<b>Total provisions for liabilities</b>	<b>2,499</b>	<b>2,624</b>	<b>2,499</b>	<b>2,624</b>

Provisions are classified as follows:

#### **Property provision**

A provision is recognised for expected dilapidation claims and an onerous lease. The dilapidation costs are not expected to be incurred until 2023 and 2025 when the leases end. The onerous lease provision reflects the difference between expected future rental costs and rental income until the end of a lease in 2023. The onerous lease provision is utilised annually to offset rental costs in excess of rental income.

#### **Salary related provisions**

A provision is recognised for a Salary Security scheme and also the Long-Term Incentive Plan (LTIP) offered to senior management and other salary matters.

Company staff are offered an insured Salary Security benefit that covers their salary for a specified period of time should they be deemed as unable to work. A provision is in place to recognise the future uninsured expenses on those staff that we are currently aware of requiring this benefit.

	Dilapidations £'000	Onerous lease £'000	Other property related £'000	Long term employee benefits £'000	Other salary related £'000	Total £'000
<b>Group and company</b>						
At 1 January 2022	1,136	764	170	484	70	2,624
Additional provisions in the year	169			194	80	443
Utilisation of provision		(440)		(109)		(549)
Unwinding of discount	30	16		11		57
Other movements		12	(18)		(70)	(76)
<b>At 31 December 2022</b>	<b>1,335</b>	<b>352</b>	<b>152</b>	<b>580</b>	<b>80</b>	<b>2,499</b>

(1) Other movements reflect updated assumptions based on current available information.



## INDEPENDENT TELEVISION NEWS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### 18 Deferred taxation

Deferred tax assets and liabilities are offset where the Company or Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2022 £'000	Assets 2021 £'000
<b>Group and Company</b>		
Accelerated capital allowances	281	847
Other short-term timing differences	303	186
Retirement benefit obligations	24,688	30,344
<b>Total deferred taxation</b>	<b>25,272</b>	<b>31,377</b>

	2022 £'000
<b>Movements in the year:</b>	
Asset at 1 January 2022	31,377
Credit to the income statement	(457)
Credit / (charge) to other comprehensive income	(4,312)
Effect of change in rate on deferred tax balance charged to other comprehensive income	(1,336)
<b>Asset at 31 December 2022</b>	<b>25,272</b>

During the year ending 31 December 2023, the reversal of deferred tax assets above is expected to decrease the corporation tax charge for the year by £4.0m. This is due to utilisation of timing differences and cash pension contributions.

FRS 102 requires deferred tax assets to be measured at the tax rates that are expected to apply in the period that the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. In the March 2021 Budget it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023 which has been reflected in the calculation of deferred tax at the reporting date.

#### 19 Retirement benefit schemes

	2022 £'000	2021 £'000
<b>Defined contribution schemes</b>		
Charge to profit and loss in respect of defined contribution schemes	3,557	3,492

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

## INDEPENDENT TELEVISION NEWS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### Defined benefit schemes

The Group closed the ITN Defined Benefit Pension Scheme to future accrual, with effect from 31 March 2010. Subsequently, the Group provided pensions to all members of staff from 1 April 2010 through a defined contribution stakeholder scheme.

The pension cost and related provision are assessed in accordance with the advice of a professionally qualified actuary on a triennial basis. The latest actuarial valuation was as at 31 December 2020 and used the projected unit method. The Defined Benefit Obligation as at 31 December 2022 has also been calculated using the projected unit method by rolling forward the results of the latest triennial funding valuation dated 31 December 2020. The rolled-forward results have then been adjusted to reflect the FRS102 financial and demographic assumptions at 31 December 2022 and for the approximate impact of actual pension increases and deferred revaluations over the year.

For 2023, the Group's maximum contribution per the 2020 Pension Recovery Plan is £6.3m (2022: £5.3m) which includes Trustee Indemnity Insurance premiums and Pension Protection Fund Levy.

#### Key assumptions

The major financial assumptions used to calculate the present value of scheme liabilities under FRS 102 are:

	2022	2021	2020	2019	2018
	%	%	%	%	%
Discount rate	4.9%	1.8%	1.3%	2.0%	2.8%
Expected rate of increase of pensions in payment	2.9%	2.95%	2.7%	2.7%	2.9%
Rate of increase for deferred pensioners	2.15%	2.25%	2.0%	1.9%	1.9%
Inflation	3.1%	3.2%	2.8%	2.9%	3.1%

The Company has used the SAPS S3 mortality tables, with probabilities of death increased by 13% for males and by 7% for females. Allowance for future improvements is made using the CMI 2020 core model with a long term improvement rate of 1% p.a.

The employee benefit obligations of the scheme were:

	2022	2021	2020	2019	2018
	£m	£m	£m	£m	£m
Present value of funded obligations	(372.5)	(550.6)	(571.3)	(523.9)	(483.9)
Fair value of scheme assets	269.1	427.9	406.7	381.6	358.2
Deficit in the scheme	(103.4)	(122.7)	(164.6)	(142.3)	(125.7)
Related deferred tax asset	24.7	30.3	31.3	24.2	21.4
Net pension liability	(78.7)	(92.4)	(133.3)	(118.1)	(104.3)

Assets in the plan as a percentage of total plan assets:

	2022	2021	2020	2019	2018
Equities	62%	65%	54%	54%	55%
Bonds and gilts	28%	29%	43%	42%	37%
Cash, property and other	10%	7%	3%	4%	8%

# INDEPENDENT TELEVISION NEWS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### Income statement impact:

	2022	2021	2020	2019	2018
	£m	£m	£m	£m	£m
Interest on pension scheme assets	(7.5)	(5.2)	(7.5)	(9.9)	(9.6)
Administration expenses	1.8	1.1	1.0	1.0	1.0
Interest on pension scheme liabilities	9.7	7.3	10.3	13.3	12.8
Total finance costs	4.0	3.2	3.8	4.4	4.2
Past service cost / (credit) (I)	(0.6)	-	-	-	1.5
Charge to income statement	3.4	3.2	3.8	4.4	5.7

- (I) A Pension past service cost of £1.5m was recognised in 2018 to equalise Guaranteed Minimum Pensions (GMP) between men and women based on benefits earned between 17 May 1990 and 5 April 1997. Future changes in accounting estimates will be reflected through the Consolidate Statement of Other Comprehensive Income.

A Pension past service cost of £0.6m past service credit has been recognised in 2022 in respect of the pension increase exchange (PIE) exercise that the Scheme ran over the year.

### Amount recognised in the statement of total recognised gains and losses:

	2022	2021	2020	2019	2018
	£m	£m	£m	£m	£m
Net actuarial losses/(gains) recognised in year	(17.6)	(38.5)	21.5	19.2	3.2
Net cumulative actuarial losses	117.5	135.1	173.6	152.1	132.9

### Actual return on plan assets:

	2022	2021	2020	2019	2018
	£m	£m	£m	£m	£m
Actual return on plan assets	(142.5)	36.2	43.4	35.1	(3.6)

# INDEPENDENT TELEVISION NEWS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### Reconciliation of present value of present liabilities and assets:

	2022	2021	2020	2019	2018
	£m	£m	£m	£m	£m
Change in the present value of the defined benefit obligation					
Opening defined benefit obligation	550.6	571.3	523.9	483.9	498.5
Past service cost	(0.6)	-	-	-	1.5
Interest cost	9.8	7.3	10.3	13.3	12.7
Benefits paid	(19.7)	(20.4)	(20.4)	(17.8)	(18.1)
Actuarial losses / (gains)	19.6	15.1	(8.4)	(1.7)	5.1
Changes to demographic assumptions	(6.7)	0.0	2.2	(5.0)	(2.0)
Changes to financial assumptions	(180.5)	(22.7)	63.7	51.2	(14.0)
Closing defined benefit obligation	372.5	550.6	571.3	523.9	483.9

	2022	2021	2020	2019	2018
	£m	£m	£m	£m	£m
Change in the fair value of plan assets					
Opening fair value of plan assets	427.9	406.7	381.6	358.2	375.2
Interest on assets	7.6	5.2	7.5	9.9	9.6
Return on plan assets less interest	(150.0)	31.0	35.9	25.2	(14.1)
Contribution by employer	5.1	6.5	3.1	7.1	6.6
Benefits paid	(19.7)	(20.4)	(20.4)	(17.8)	(18.1)
Administration costs	(1.8)	(1.1)	(1.0)	(1.0)	(1.0)
Closing fair value of plan assets	269.1	427.9	406.7	381.6	358.2

### 20 Called up share capital

At 31 December 2022 and 2021 the Company had 15,400,000 authorised ordinary shares of £1 each

	2022	2021
	£'000	£'000
Ordinary share capital		
Authorised, allotted, called up and fully paid		
400,000 ordinary shares of £1 each	400	400

The ordinary share capital has full rights in the company with respect to voting, dividends, and distributions.

### 21 Pension fund security

The Group has provided certain rights relating to its shareholding in Independent Radio News Limited and the Company has provided certain rights relating to its rights in the ITN news archive as security to the ITN Pension Scheme in support of the recovery plan agreed with the Trustees to address the funding deficit.

## INDEPENDENT TELEVISION NEWS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### 22 Operating lease commitments

##### Lessee

At the reporting end date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Within one year	4,124	4,092	4,124	4,092
Between two and five years	4,691	8,390	4,691	8,390
<b>Total operating lease commitments</b>	<b>8,815</b>	<b>12,482</b>	<b>8,815</b>	<b>12,482</b>

#### 23 Financial commitments, guarantees and contingent liabilities

The Company has guaranteed the liabilities of certain subsidiaries as detailed in Note 26.

The Company has guaranteed to World Athletics Productions Limited the obligations of the Company's subsidiary, ITN Productions Athletics Limited, to provide certain loans to World Athletics Productions Limited, the joint venture company established by the Company and World Athletics.

#### 24 Capital commitments

At 31 December 2022 the Group had capital commitments as follows:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Contracted for but not provided for:				
Acquisition of property, plant and equipment	1,075	590	1,075	590

# INDEPENDENT TELEVISION NEWS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 25 Related party transactions

#### Transactions with related parties

During the year the Group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
<b>Group</b>				
Entities with a shareholding interest in the Company	68,184	55,198	1,192	962
Entities in which the Company had a shareholding interest	9,141	2,561	-	-
<b>Total transactions</b>	<b>77,325</b>	<b>57,759</b>	<b>1,192</b>	<b>962</b>

#### Transactions with Key Management Personnel

Transactions with the Group's key management personnel have been disclosed in Note 7.

The following amounts were outstanding at the reporting end date:

<b>Amounts owed to related parties</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Group</b>		
Entities with a shareholding interest in the Company	2,785	1,372
<b>Amounts owed by related parties</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Group</b>		
Entities with a shareholding interest in the Company	7,150	5,319
Entities in which the Company had a shareholding interest	81	553
<b>Total amounts owed by related parties</b>	<b>7,231</b>	<b>5,872</b>

# INDEPENDENT TELEVISION NEWS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 26 Investments

Investments	Company Number	ITN Group Immediate Parent	Type of shares held	Ownership %	Registered office	Country of Incorporation	Nature of Business	Categorisation
ITN Archive Limited	3807324	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant	Subsidiary
ITN Radio Investments Limited	02417313	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Holding Company	Subsidiary
ITN Radio Limited	07108867	ITN Radio Investments Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Holding Company	Subsidiary
ITN Education Investments Limited	07126926	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant	Subsidiary
Independent Radio News Limited	1112963	ITN Radio Limited	Ordinary	19.7%	Academic House, 24-28 Oval Road, London	UK	Production of radio news	Investment
ITN DLS Limited	10611632	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Television programming and broadcasting activities	Subsidiary
ITN Productions Athletics Limited	11105084	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Holding Company	Subsidiary
World Athletics Productions Limited	11159888	ITN Productions Athletics Limited	Ordinary	50%	200 Grays Inn Road, London	UK	Television programming and broadcasting activities	Joint venture
Connolly Systems Limited	01343709	Timms (1992) Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ECL Limited	06804712	ITN Archive Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ITN Group Limited	05875533	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ITN International Limited	02409274	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ITN News Channel (Finance) Limited	04214822	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ITN Productions Limited	05836887	ITN Group Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ITN Source Limited	05836903	ITN Group Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
Jemani Limited	02205448	Timms (1992) Limited	Ordinary	99%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
Visual Voodoo Films Limited	03864639	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ViewPoint News Ltd	9172614	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
Timms (1992) Limited	01678244	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary

## INDEPENDENT TELEVISION NEWS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Investments, associates and joint ventures are not publicly listed and are held at cost less impairment as fair value cannot be reliably determined.

Independent Television News Limited has guaranteed liabilities of its subsidiaries ITN Archive Limited, ITN Education Investments Limited, ITN Radio Investments Limited, ITN Productions Athletics Limited, ITN DLS Limited and ITN Radio Limited under section 479A and C of the Companies Act 2006 (as amended). As such, ITN Archive Limited, ITN Education Investments Limited, ITN Radio Investments Limited, ITN Productions Athletics Limited, ITN DLS Limited and ITN Radio Limited will take advantage of the audit exemption set out within section 479A for the year ended 31 December 2022.

#### 27 Cash generated from operations

	2022 £'000	2021 £'000
Profit for the year	6,544	4,930
Adjustments for:		
Income tax expense recognised in profit or loss	2,412	(1,615)
Finance costs recognised in profit or loss	3,426	3,310
Share of profits of joint venture	(102)	51
Investment income recognised in profit or loss	(527)	(472)
Loss on disposal of property, plant and equipment	-	38
Depreciation and impairment of property, plant and equipment	2,324	2,242
Increase / (Decrease) in provisions	(182)	(1,149)
Movements in working capital:		
Decrease / (Increase) in work in progress	549	(38)
Decrease / (Increase) in trade and other receivables	(18,025)	2,520
(Decrease) / Increase in trade and other payables	5,846	5,088
<b>Cash generated from operations before pension scheme cash movements</b>	<b>2,265</b>	<b>14,905</b>
Pension scheme contributions	(5,142)	(6,542)
<b>Cash (used) / generated from operations</b>	<b>(2,877)</b>	<b>8,363</b>

#### 28 Ultimate controlling party

There is no ultimate controlling party.