

Registration number: 2203983

ITV Global Entertainment Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



ITV Global Entertainment Limited

Contents

Strategic Report	1 to 2
Directors' Report	3 to 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report To The Members Of ITV Global Entertainment Limited	6 to 7
Income Statement	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 to 32

ITV Global Entertainment Limited

Strategic Report for the Year Ended 31 December 2018

The Directors present their strategic report for the year ended 31 December 2018.

Principal activity

The principal activity of ITV Global Entertainment Ltd continues to be the worldwide exploitation and distribution of television programming.

Fair review of the business

The results for the Company show a profit for the year of £9,008,000 (2017: £14,262,000). At the statement of financial position date the company had net assets of £75,434,000 (2017: £69,748,000).

KPI's

The Directors of the ITV plc Group manage the Group's operations on a divisional basis with this Company being included within the Studios division. For this reason, the Company's Directors use the ITV plc Studio's business review in managing and understanding the development, performance and position of the Company. The business review is included on pages 26 to 27 of ITV Plc's 2018 annual report.

The Directors of the Company use the below KPI's to manage the performance of the Company. The Group KPI's are included on pages 28 to 31 of ITV Plc's 2018 annual report.

Developments during the year

The company's key financial and other performance indicators during the year were as follows:

	Unit	2018	2017
Turnover comparative	£000's	204,781	206,772
Turnover per sales employee	£000's	7,314	6,462
Administration expense (excl. foreign exchange) as a % of turnover	%	8	10
EBITA	£000's	11,249	16,401

Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are:

- Rights ownership and exploitation, the company fails to identify and obtain the optimal rights packages or fails to exploit these for maximum value. In order to mitigate this risk the company continues to focus on creating a lean, creatively dynamic, fit-for-purpose organisation and on building a strong international content business.
- Margin protection and growth, the company fails to grow revenues or maintain margins. In order to mitigate this risk the business is driving new revenue streams by exploiting content across multiple platforms, free and pay.

The following are further risks and uncertainties:

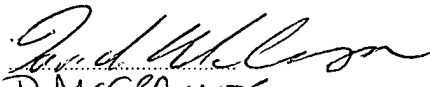
- The Company fails to attract/develop and retain key commercial and management talent
- The Company fails to acquire a sufficient number of hit programmes/formats
- ITV remains heavily reliant on legacy systems, which could potentially restrict the ability to grow the business. These systems and processes may not be appropriate for rapid international growth.
- There is a sustained cyber attack causing prolonged system denial or major reputational damage, for example corporate systems are compromised.
- The political and economic uncertainty arising from the UK's referendum vote to leave the EU could result in continued macro uncertainty. There is considerable uncertainty regarding the likely terms of the post Brexit trading arrangement between the UK and the EU, which is expected to continue for the foreseeable future.

ITV Global Entertainment Limited

Strategic Report for the Year Ended 31 December 2018

A comprehensive strategic review of the Company's strategy, outlining the development, performance and position of the Company's business can be found in the Strategic Report of the group in the ITV plc Annual Report. The Annual Report of ITV plc is available to the public and may be obtained from www.itvplc.com or the Company Secretary, 2 Waterhouse Square, 140 Holburn, London, EC1N 2AE.

Approved by the Board on 30/9/2019 and signed on its behalf by:


D MCCRAYNOR
Director

ITV Global Entertainment Limited
Directors' Report for the Year Ended 31 December 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

Directors of the Company

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

Maria Kyriacou

Duncan Walker

David McGraynor

Ruth Berry

Directors' liabilities

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

Dividends

The Directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 31 December 2018 (2017: £Nil).

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least twelve months from the date of this report. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements (see note 1).

Subsequent events

In July 2019, ITV Global Entertainment Limited transferred at fair value its 24.9% shareholding in Monumental Television, a UK production company, to ITV Studios Limited. ITV Studios then exercised the call option to acquire 26.1% bringing its shareholding in Monumental Television to 51%.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

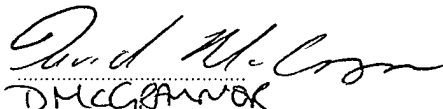
ITV Global Entertainment Limited

Directors' Report for the Year Ended 31 December 2018

Reappointment of auditor

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

Approved by the Board on 31/1/2019 and signed on its behalf by:


Director

Registered office
2 Waterhouse Square
140 Holburn
London
EC1N 2AE

ITV Global Entertainment Limited

Statement of Directors' Responsibilities

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

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

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report To The Members Of ITV Global Entertainment Limited

Opinion

We have audited the financial statements of ITV Global Entertainment Limited ("the Company") for the year ended 31 December 2018 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report To The Members Of ITV Global Entertainment Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

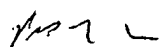
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Sawdon (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 30 September 2015

ITV Global Entertainment Limited

Income Statement for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Revenue	3	204,781	206,773
Cost of sales		<u>(177,911)</u>	<u>(171,768)</u>
Gross profit		26,870	35,005
Administrative expenses		<u>(15,620)</u>	<u>(18,604)</u>
Operating profit	4	11,250	16,401
Interest receivable and similar income	5	868	703
Interest payable and similar expenses	6	<u>(154)</u>	<u>(414)</u>
Profit before tax		11,964	16,690
Taxation	10	<u>(2,955)</u>	<u>(2,428)</u>
Profit for the year		<u>9,009</u>	<u>14,262</u>

The above results were derived from continuing operations

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

ITV Global Entertainment Limited

Statement of Comprehensive Income for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Profit for the year		9,009	14,262
Items that may be reclassified subsequently to profit or loss			
Gain/(loss) on cash flow hedges (net)		<u>(3,290)</u>	<u>(297)</u>
Total comprehensive income for the year		<u><u>5,719</u></u>	<u><u>13,965</u></u>

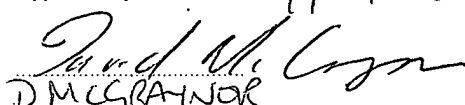
ITV Global Entertainment Limited

(Registration number: 2203983)

Statement of Financial Position as at 31 December 2018

		2018	(As restated) 2017
	Note	£ 000	£ 000
Non-current assets			
Property, plant and equipment	11	-	-
Intangible assets	12	-	-
Investments	13	3,293	5,243
Derivative financial instruments		69	117
Distribution rights	15	63,306	46,118
Deferred tax assets	10	145	264
		<u>66,813</u>	<u>51,742</u>
Current assets			
Trade and other receivables	14	154,813	201,614
Derivative financial instruments		301	2,642
		<u>155,114</u>	<u>204,256</u>
Current liabilities			
Trade and other payables	16	(114,277)	(170,671)
Derivative financial instruments		(2,156)	(411)
Intercompany - tax creditor	10	-	(67)
Contract liabilities	18	(7,847)	(8,167)
		<u>(124,280)</u>	<u>(179,316)</u>
Net current assets		<u>30,834</u>	<u>24,940</u>
Non-current liabilities			
Loans and borrowings		(21,767)	(6,918)
Other non-current financial liabilities		(446)	(16)
		<u>(22,213)</u>	<u>(6,934)</u>
Net assets		<u>75,434</u>	<u>69,748</u>
Capital and reserves			
Share capital	21	5,300	5,300
Capital redemption reserve		8,611	8,611
Other reserves		(1,455)	1,835
Retained earnings		62,978	54,002
		<u>75,434</u>	<u>69,748</u>

Approved by the Board on 30/1/2019 and signed on its behalf by:


D M GRAYNOR
Director

ITV Global Entertainment Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £ 000	Capital redemption reserve £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2018	5,300	8,611	1,835	54,002	69,748
Profit for the year	-	-	-	9,009	9,009
Other comprehensive income	-	-	(3,290)	-	(3,290)
Income tax charge on other operating income	-	-	-	(33)	(33)
At 31 December 2018	<u>5,300</u>	<u>8,611</u>	<u>(1,455)</u>	<u>62,978</u>	<u>75,434</u>

	Share capital £ 000	Capital redemption reserve £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2017	5,300	8,611	2,132	39,699	55,742
Profit for the year	-	-	-	14,262	14,262
Other comprehensive income	-	-	(297)	-	(297)
Income tax charge on other operating income	-	-	-	41	41
At 31 December 2017	<u>5,300</u>	<u>8,611</u>	<u>1,835</u>	<u>54,002</u>	<u>69,748</u>

Tax on items taken directly to equity relate to the movement in the deferred tax asset on share based payments.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies

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

Basis of preparation

ITV Global Entertainment Limited is a public company incorporated, domiciled and registered in England in the UK. The registered number is 2203983 and the registered address is ITV plc, 2 Waterhouse Square, 140 Holburn, London, EC1N 2AE.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS101"). The amendments to FRS101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRS') but makes the amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company is a qualifying entity as it is a member of the ITV plc Group where ITV plc, the ultimate parent prepares publicly available consolidated financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following net assets and liabilities are stated at their fair value derivative financial instruments, financial instruments classified as fair value through the profit or loss, investment property and liabilities for cash settled share-based payments.

Summary of disclosure exemptions

The Company is taking advantage of the following disclosure exemptions under FRS 101:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures of transactions with a management entity that provides key management personnel services to the Company;
- Disclosures in respect of goodwill or intangibles with an indefinite life; and
- Disclosures in respect of revenue being the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with customers.

As the consolidated financial statements of ITV plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to apply the reduced disclosure framework of FRS 101 in its next financial statements.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Changes in accounting policy

New standards, interpretations and amendments effective

The following have been applied for the first time from 1 January 2018.

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 'Financial Instruments: Recognition and Measurement'.

IFRS 9 introduces new models for classification of financial assets and accounting for credit losses. Hedging rules have been amended to allow hedge accounting to be applied to more risks.

Adoption of IFRS 9 resulted in no adjustments to previously reported results.

IFRS 15 Revenue recognition

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 'Revenue', IAS 11 'Construction Contracts' and related interpretations.

The Company has adopted IFRS 15 on a fully retrospective basis.

The following table summarises the impact of adopting IFRS 15 on the Company's Statement of Financial Position. For the year ended 31 December 2017 there was no impact on the Income Statement.

None of the other standards, interpretations and amendments effective for the first time from 1 January 2018 have had a material effect on the financial statements.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Impact on statement of financial position	As reported	Adjustment	As restated
	2017	2017	2017
	£ 000	£ 000	£ 000
Non-current assets	5,243	-	5,243
Trade and other receivables	201,614	-	201,614
Derivative financial instruments	2,642	-	2,642
Trade and other payables	(170,671)	-	(170,671)
Current tax liabilities	(67)	-	(67)
Other current financial liabilities	(411)	-	(411)
Deferred income	(8,167)	8,167	-
Contract liabilities	-	(8,167)	(8,167)
Non-current liabilities	(6,934)	-	(6,934)
Net assets	<u>69,748</u>	<u>-</u>	<u>69,748</u>
Share capital	5,300	-	5,300
Capital redemption reserve	8,611	-	8,611
Other reserves	1,835	-	1,835
Retained earnings	<u>54,002</u>	<u>-</u>	<u>54,002</u>
Capital and reserves	<u>69,748</u>	<u>-</u>	<u>69,748</u>

The only changes in revenue recognition as a result of IFRS 15 relate to a reclassification of deferred revenue to contract liabilities.

None of the other standards, interpretations and amendments effective for the first time from 1 January 2018 have had a material effect on the financial statements.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Revenue

Revenue, which arises wholly in the United Kingdom, is stated exclusive of VAT and represents sales for services provided during the year to third parties. Judgement is required when determining the appropriate timing and amount of revenue that can be recognised, specifically around whether there is a firm contract and that the performance obligations have been satisfied, and if so, whether there is a fixed or reasonably determinable price allocated to performance obligations that is reasonably certain will be collected. Key classes of revenue are recognised on the following basis with all payment terms being over the term of the contract:

Programme distribution rights

- A licence is granted for the transmission of a programme in a stated territory, media and period and revenue is recognised at the point when the contract is signed, the content is available for download and the licence period has started.

Formats and licences

- A licence is granted for the exploitation of a format in a stated territory, media and period. These are recognised when the licence is granted to the customer (point in time).

Producer share revenue

- Revenue sold by other ITV Global Entertainment companies where the distribution rights are owned by ITV Global Entertainment Limited, revenue is recognised at the point when the contract is signed, the content is available for download and the licence period has started.

Digital archive

- Content sold to broadcasters and is recognised on delivery of content or over the contract period in a manner that reflects the flow of content delivered.

Exemption from preparing group accounts

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

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

Going Concern

The Company participates in the Group's intra-group cash pool policy. The pool applies to bank accounts where there is an unconditional right of set off and involves the daily closing cash position for participating subsidiaries whether positive or negative, being cleared to £Nil via daily bank transfers to / from ITV plc. The Company is therefore dependent on ITV plc for its funding. The Directors of the Company have no reason to believe that this financial support will not be forthcoming in the event that it is required. On this basis, and on their assessment of the Company's financial position, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least twelve months from the date of this report. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

Amounts due (to) / from group undertakings

The Company participates in an intra-group cash pool policy with other 100% owned UK subsidiaries of the ITV Group. The pool applies to bank accounts where there is an unconditional right of set off and involves the daily closing cash position for participating subsidiaries whether positive or negative, being cleared to £nil via daily bank transfers to/from ITV plc. These daily transactions create a corresponding intercompany creditor or debtor which can result in significant movements in amounts owed to and from subsidiary undertakings in the Company statement of financial position.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Foreign currency transactions and balances

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

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

Hedge accounting is implemented on certain foreign currency firm commitments, which allows for the ineffective portion of any foreign exchange gains or losses to be recognised in other comprehensive income.

Where a forward currency contract is used to manage foreign exchange risk and hedge accounting is not applied, any movement in currency is taken to the income statement.

Non-monetary assets and liabilities, measured at historical cost are translated into pounds sterling at the exchange rate on the date of the transaction.

Tax

The tax charge for the period is recognised in the income statement, the statement of comprehensive income and directly in equity, according to the accounting treatment of the related transaction. The tax charge comprises both current and deferred tax. The calculation of the Company's tax charge involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be fully determined until a resolution has been reached by the relevant tax authority.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment in respect of previous years.

The Company recognises liabilities for anticipated tax issues based on estimates of the additional taxes that are likely to become due, which require judgement. Amounts are accrued based on management's interpretation of specific tax law and the likelihood of settlement. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

Deferred tax arises due to certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes. The following temporary differences are not provided for:

- The initial recognition of goodwill;
- The initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred tax is calculated using tax rates that are enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference. Recognition of deferred tax assets, therefore, involves judgement regarding the timing and level of future taxable income.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the assets. The depreciation charge is sensitive to the estimated useful life of each asset and the expected residual value at the end of its life. The major categories of property, plant and equipment are depreciated as follows:

Asset class	Depreciation method and rate
Vehicles, equipment and fittings	Straight line 3 - 10 years

Trade and other payables

Trade payables are recognised at the value of the invoice received from a supplier. The carrying value of current and non-current trade payables is considered approximate fair value.

Amortisation

Amortisation is charged to the income statement over the estimated useful lives of intangible assets unless such lives are judged to be indefinite. Indefinite life assets, such as goodwill, are not amortised but are tested for impairment at each year end.

Asset class	Amortisation method and rate
Software licences and developments	Straight line 1 - 5 years

Intangible assets

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment. This is not in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The Directors consider that this would fail to give a true and fair view of the result for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

Software licences and development are stated initially at cost and subsequently at cost less accumulated amortisation.

Investments

The Company's statement of financial position includes investments at cost less amounts written off in respect of any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits with a maturity of less than or equal to three months from the date of acquisition, cash held to meet certain finance lease commitments. The carrying value of cash and cash equivalents is considered to approximate fair value.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Trade receivables

Trade receivables are recognised initially at the value of the invoice sent to the customer and subsequently at the amounts considered recoverable (amortised cost). Where payments are not due for more than one year, they are shown in the financial statements at their net present value to reflect the economic cost of delayed payment. The Group provides goods and services to substantially all of its customers on credit terms.

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

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

Contract liabilities

Contract liabilities primarily relate to the consideration received from customers in advance of transferring a good or service.

Distribution rights

Distribution rights are programme rights the Group buys from producers to derive future revenue, principally through licencing to broadcasters. These are classified as non-current assets as these rights are used to derive long-term economic benefit for the Group.

Distribution rights are recognised initially at cost and charged through operating costs in the income statement over a maximum three year period that is dependent either on cumulative sales and programme genre, or based on forecast future sales. Advances paid for the acquisition of distribution rights are disclosed as distributor rights as soon as they are contracted. These advances are not expensed until the programme is available for distribution. Up to that point they are assessed annually for impairment through the reassessment of the future sales expected to be earned from that title.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Provisions

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

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is neutral, the initial measurement is on a present value basis.

Dividends

Dividends are recognised through equity on the earlier of their approval by the Company's shareholders or their payment.

Defined contribution pension obligation

A defined contribution plan is a post-employment benefit under which the Company pay fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined benefit

Certain of the Company's employees are members of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is ITV Services Limited. The Company then recognises a cost equal to its contribution payable for the period.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Share based payments

For each of the Company's share-based compensation schemes, the fair value of the equity instrument granted is measured at grant date and spread over the vesting period via a charge to the income statement with a corresponding increase in equity.

The fair value of the share options and awards is measured using either market price at grant date or, for the Save as you Earn scheme (SAYE), a Black-Scholes model, taking into account the terms and conditions of the individual scheme.

Vesting conditions are limited to service conditions and performance conditions. For performance-based schemes, the relevant Company performance measures are projected to the end of the performance period in order to determine the number of options expected to vest. The estimate is then used to determine the option fair value, discounted to present value. The Group revises its estimates of the number of options that are expected to vest, including an estimate of forfeitures at each reporting date. The impact of the revision to original estimates, if any, are recognised in the income statement, with a corresponding adjustment to equity.

Exercises of share options granted to employees can be satisfied by market purchase or issue of new shares. No new shares may be issued to satisfy exercises under the terms of the DSA. During the year all exercises were satisfied by using shares purchased in the market and held in the ITV Employees' Benefit Trust.

These relate to the ultimate parent's shares and the Company accounts for these as cash settled. As there is a formal recharge agreement in place an intercompany balance is recognised for the control of share based payments.

Financial instruments

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value with the movement recorded in the income statement, except where derivatives, qualify for cash flow hedge accounting. In this case, the effective portion of a cash flow hedge is recognised in other comprehensive income and presented in the hedging reserve within equity. The ineffective portion of any cash flow hedge is recognised in the income statement immediately. The cumulative gain or loss is later reclassified to the income statement in the same period as the relevant hedged transaction is realised. Derivatives with positive fair values are recorded as assets and negative fair values as liabilities.

The fair value of forward foreign exchange contracts is determined by using the difference between the contract exchange rate and the quoted forward exchange rate at the reporting date. The fair value of interest rate swaps is the estimated amount that the Company would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and our current creditworthiness, as well as that of our swap counterparties.

Third-party valuations are used to fair value the Company's interest rate derivatives. The valuation techniques use inputs such as interest rate yield curves and currency/prices/yields, volatilities of underlying instruments and correlations between inputs.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements often requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. For the current year, there were no significant judgements that require disclosure.

Estimates and underlying assumptions in respect of investments and revenue recognition are reviewed on an ongoing basis, with revisions recognised in the period that the estimates are revised and in any future periods effected.

3 Revenue

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

	2018 £ 000	2017 £ 000
Sale and distribution of television programming	133,259	123,705
Format fee revenue	11,952	14,780
Producer share revenue	56,689	67,291
Other revenue	2,881	997
	<u>204,781</u>	<u>206,773</u>

Analysis of revenue by geography

	2018 £ 000	2017 £ 000
United Kingdom	54,640	69,042
Europe	52,708	51,074
Rest of the world	97,433	86,657
	<u>204,781</u>	<u>206,773</u>

4 Operating profit

Arrived at after charging/(crediting)

	2018 £ 000	2017 £ 000
Foreign exchange loss (gain)	<u>(3,284)</u>	<u>2,614</u>

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

5 Interest receivable and similar income

	2018 £ 000	2017 £ 000
Interest income on bank deposits	21	-
Interest receivable from group undertakings	727	625
Foreign exchange gains	120	78
	<u>868</u>	<u>703</u>

6 Interest payable and similar expenses

	2018 £ 000	2017 £ 000
Foreign exchange losses	-	244
Interest payable to group undertakings	144	157
Other finance costs	10	13
	<u>154</u>	<u>414</u>

7 Staff costs

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2018 £ 000	2017 £ 000
Wages and salaries	6,299	5,782
Social security costs	724	730
Pension costs, defined contribution scheme	546	551
Pension costs, defined benefit scheme	25	49
Share-based payment expenses	902	447
	<u>8,496</u>	<u>7,559</u>

The average number of persons employed by the Company (including Directors) during the year, analysed by category was as follows:

	2018 No.	2017 No.
Administration and support	51	52
Sales	28	32
	<u>79</u>	<u>84</u>

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

8 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2018 £ 000	2017 £ 000
Remuneration	1,072	1,032
Contributions paid to money purchase schemes	61	68
	<u>1,133</u>	<u>1,100</u>

During the year the number of Directors who were receiving benefits and share incentives was as follows:

	2018 No.	2017 No.
Accruing benefits under defined benefit pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid Director:

	2018 £ 000	2017 £ 000
Remuneration	549	526
Company contributions to money purchase pension schemes	<u>11</u>	<u>10</u>

9 Auditors' remuneration

The auditor's remuneration of £500 (2017: £500) was borne by another group Company.

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent ITV plc.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

10 Current tax

Tax charged/(credited) in the income statement

	2018 £ 000	2017 £ 000
Current taxation		
UK corporation tax	690	801
UK corporation tax adjustment to prior periods	(67)	-
	<u>623</u>	<u>801</u>
Foreign tax	2,246	1,648
Total current income tax	<u>2,869</u>	<u>2,449</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	86	(20)
Prior year adjustment	-	(1)
Total deferred taxation	<u>86</u>	<u>(21)</u>
Tax expense in the income statement	<u>2,955</u>	<u>2,428</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Profit before tax	<u>11,964</u>	<u>16,690</u>
Corporation tax at standard rate of 19.00% (2017 : 19.25%)	2,273	3,213
Effect of expense not deductible in determining taxable profit (tax loss)	175	46
Group relief claimed	(1,726)	(2,417)
Effect of foreign tax rates	2,246	1,648
UK deferred tax expense relating to changes in tax rates or laws	54	(61)
Prior period adjustment	(67)	(1)
Total tax charge	<u>2,955</u>	<u>2,428</u>

The Finance Act 2016, which was substantively enacted on 6 September 2016, provides for a reduction in the main rate of corporation tax to 17% from 1 April 2020 (this supersedes the reduction to 18% which was provided for in the Finance Act 2015). These rate reductions have been reflected in the calculation of deferred tax at the statement of financial position date.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

10 Current tax (continued)

Amounts recognised in other comprehensive income

	2018			2017	
	Before tax £ 000	Tax (expense) benefit £ 000	Net of tax £ 000	Before tax £ 000	Net of tax £ 000
Gain/(loss) on cash flow hedges (net)	<u>(3,290)</u>	<u>-</u>	<u>(3,290)</u>	<u>(297)</u>	<u>(297)</u>

Deferred tax

Deferred tax assets and liabilities

2018	Asset £ 000
Accelerated tax depreciation	134
Accruals	-
Share-based payment	11
Other items	-
	<u>145</u>

2017	Asset £ 000
Accelerated tax depreciation	162
Accruals	-
Share-based payment	102
Other items	-
	<u>264</u>

Deferred tax movement during the year:

	At 1 January 2018 £ 000	Recognised in income £ 000	Recognised in equity £ 000	At 31 December 2018 £ 000
Accelerated tax depreciation	162	(28)	-	134
Accruals	-	-	-	-
Share-based payment	102	(58)	(33)	11
Other items	-	-	-	-
Net tax assets/(liabilities)	<u>264</u>	<u>(86)</u>	<u>(33)</u>	<u>145</u>

Deferred tax movement during the prior year:

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

10 Current tax (continued)

	At 1 January 2017 £ 000	Recognised in income £ 000	Recognised in equity £ 000	At 31 December 2017 £ 000
Accelerated tax depreciation	196	(34)	-	162
Accruals	-	-	-	-
Share-based payment	5	55	41	102
Other items	-	-	-	-
Net tax assets/(liabilities)	<u>201</u>	<u>21</u>	<u>41</u>	<u>264</u>

11 Property, plant and equipment

	Vehicles, equipment and fittings £ 000
Cost or valuation	
At 1 January 2018	<u>1,045</u>
At 31 December 2018	<u>1,045</u>
Depreciation	
At 1 January 2018	<u>1,045</u>
At 31 December 2018	<u>1,045</u>
Carrying amount	
At 31 December 2018	<u>-</u>
At 31 December 2017	<u>-</u>

12 Intangible assets

	Software licences and development £ 000
Cost or valuation	
At 1 January 2018	1,639
Disposals	<u>(83)</u>
At 31 December 2018	<u>1,556</u>
Amortisation	
At 1 January 2018	1,639
Amortisation charge	<u>(83)</u>
At 31 December 2018	<u>1,556</u>
Carrying amount	

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

12 Intangible assets (continued)

Software licences
and development
£ 000

At 31 December 2018

-

The recoverable amount of goodwill and software licences and developments is the higher of fair value less cost of disposal and value in use.

13 Investments

Subsidiaries

£ 000

Cost or valuation

At 1 January 2018

2,093

At 31 December 2018

2,093

Carrying amount

At 31 December 2018

2,093

At 31 December 2017

2,093

Associates

£ 000

Cost or valuation

At 1 January 2018

3,150

Amounts transferred to loans with associates

(1,950)

At 31 December 2018

1,200

Carrying amount

At 31 December 2018

1,200

At 31 December 2017

3,150

During the period a review was conducted on all of ITV Global Entertainment Limited's investments, it was noted that the presentation of the investment relating to Route 24 Limited was incorrect and therefore amounts were transferred to loans with associates leaving the balance held in investments in associates being the correct representation of the fair value of the investment.

Details of all subsidiaries and associates of the Company as at 31 December 2018 are disclosed in note 24.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

14 Trade and other receivables

	2018 £ 000	2017 £ 000
Trade receivables (included in trade receivables are amounts of £19,715 (2017: £11,601) due greater than one year).	69,067	54,388
Amounts due from group undertakings	69,941	135,563
Accrued income	13,592	10,945
Prepayments	117	412
Other receivables (included in other receivables are amounts of £2,023 (2017: Nil) loans to associates).	2,096	306
	<u>154,813</u>	<u>201,614</u>

Trade debtors above include amounts (detailed below) that are past due at the end of the reporting period and which an allowance for doubtful debts has not been recognised as the amounts are still considered recoverable and there hasn't been a significant change in credit quality.

Included in amounts due from group undertakings are amounts of £62,195,901 (2017: £88,985,012) which relate to balances associated with the ITV plc group treasury pooling arrangements. This balance is repayable on demand and attracts interest of 0.5% (2017 : 0.5%) above base rate per annum.

Included in amounts due from group undertakings are amounts of £7,744,843 (2017: £46,578,120) which represents intercompany trading, has no associated interest and is repayable on demand.

Included in amounts due from group undertakings are amounts of £Nil (2017 : £Nil) which relates to loans from fellow subsidiaries. This balance is repayable upon demand and attracts interest of 3.5% above base rate per annum. Interest is settled annually.

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

15 Distribution rights

	2018 £'000	2017 £'000
Distribution rights	<u>63,306</u>	<u>46,118</u>

Distribution rights have increased as the Company invests more in new titles in order to drive revenues.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Trade and other payables

	2018 £ 000	(As restated) 2017 £ 000
Trade payables	1,651	1,143
Accrued expenses	10,112	8,951
Amounts due to group undertakings	71,808	124,829
Other payables	30,706	35,748
	<u>114,277</u>	<u>170,671</u>

Included in amounts due to group undertakings is an amount of 2018: £71,808,408 (2017: £124,829,383) which represents intercompany trading, has no associated interest and is repayable on demand.

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

The other payables balance consists of amounts due to third party recipients for programme sales.

17 Trade and other payables due after more than one year

	2018 £'000	2017 £'000
Trade payables	<u>21,767</u>	<u>6,918</u>

18 Contract liabilities

The following table provides information about opening and closing contract liabilities from contracts with customers. The Company recognised the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balances as at 1 January 2018.

	2018 £ 000	2017 £ 000
Contract liabilities	<u>7,847</u>	<u>8,167</u>

The amount of revenue recognised in the current period that was included in the contract liability balance at the beginning of the period was £8,166,739.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

19 Pension and other schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £545,851 (2017 - £551,818).

Contributions totalling £48,154 (2017: £48,875) were payable to the scheme at the end of the year and are included in creditors.

20 Share based payments

Scheme description

The Company utilises share award schemes as part of its employee remuneration packages, and therefore operates a number of Group share-based compensation schemes, namely the Deferred Share Award (DSA), Performance Share Plan (PSP), Long Term Incentive Plan (LTIP) and Save As You Earn (SAYE) schemes.

A transaction will be classed as share-based compensation where the Company receives services from employees and pays for these in shares or similar equity instruments. If the Company incurs a liability based on the price or value of the shares then this will also fall under a share-based transaction.

The fair value of the equity instrument granted is measured at grant date and spread over the vesting period via a charge to the income statement with a corresponding increase in equity. The fair value of the share options and awards is measured using either market price at grant date or, for the Save As You Earn scheme (SAYE), a Black-Scholes model, taking into account the terms and conditions of the individual scheme.

Vesting conditions are limited to service conditions and performance conditions. For performance-based schemes, the relevant performance measures are projected to the end of the performance period in order to determine the number of options expected to vest. The estimate is then used to determine the option fair value, discounted to present value. The Company revises its estimates of the number of options that are expected to vest, including an estimate of forfeitures at each reporting date. The impact of the revision to original estimates, if any, are recognised in the income statement, with a corresponding adjustment to equity.

Exercises of share options granted to employees can be satisfied by market purchase or issue of new shares. No new shares may be issued to satisfy exercises under the terms of the DSA. During the year all exercises were satisfied by using shares purchased in the market and held in the ITV Employees' Benefit Trust.

The weighted average share price of share options exercised during the year was 18.39p (2017: 44.87p). The options outstanding at the year end have an exercise price in the range of nil to 206.83p and a weighted average contractual life of 2 years (2017: 1 year).

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

21 Share capital

Allotted, called up and fully paid

	2018		2017	
	No. 000	£ 000	No. 000	£ 000
Ordinary A of £1 each	<u>5,300</u>	<u>5,300</u>	<u>5,300</u>	<u>5,300</u>

22 Contingent liabilities

Under a Group registration the Company is jointly and severally liable for the VAT at 31 December 2018 of £39 million (2017: £45 million).

23 Parent of group in whose consolidated financial statements the Company is consolidated

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

These financial statements are available upon request from 2 Waterhouse Square, 140 Holborn, London, EC1N 2AE.

24 Parent and ultimate parent undertaking

The Company's immediate parent is Carlton Content Holdings Limited.

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

The most senior parent entity producing publicly available financial statements is ITV plc. These financial statements are available upon request from 2 Waterhouse Square, 140 Holborn, London, EC1N 2AE.

The ultimate controlling party is ITV plc.

25 Subsequent events

In July 2019, ITV Global Entertainment Limited transferred at fair value its 24.9% shareholding in Monumental Television, a UK production company, to ITV Studios Limited. ITV Studios then exercised the call option to acquire 26.1% bringing its shareholding in Monumental Television to 51%.

ITV Global Entertainment Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

26 Investments

Details of the subsidiaries as at 31 December 2018 are as follows:

Name of Subsidiary	Registered Office	Share Type	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held
Carlton Entertainment	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%
Carlton Programmes Development Limited	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%
ITV Global Entertainment (Hong Kong) Limited	Rooms 517–520, 5th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong	Ordinary	Hong Kong	100%

Associates

Details of the associates as at 31 December 2018 are as follows:

Name of Subsidiary	Registered Office	Share Type	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held
Monumental Television Limited	9 St. Peter's Street, London, N1 8JD	Ordinary	UK	24.92%