

Registration number: 02203983

# ITV Studios Global Distribution Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022



# **ITV Studios Global Distribution Limited**

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## ITV Studios Global Distribution Limited

### Strategic Report for the Year Ended 31 December 2022

The Directors present their Strategic Report for the year ended 31 December 2022.

#### Principal activity

The principal activity of ITV Studios Global Distribution Limited ("the Company") continues to be the worldwide exploitation and distribution of television programming. ITV Studios Global Distribution Limited is part of the ITV Studios division.

#### Fair review of the business

The results for the Company show a profit for the year of £27,713,000 (2021: £18,739,000). At the Statement of Financial Position date, the Company had net assets of £106,763,000 (2021: £81,918,000).

#### 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 ITV Studios division. For this reason, the Company's Directors use the ITV plc ITV Studios division's Operating and Performance Review in managing and understanding the development, performance and position of the Company. The business review is included on pages 28 to 43 of ITV plc's 2022 Annual Report.

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

	Unit	2022	2021
Turnover comparative	£ 000	278,174	232,972
Turnover per sales employee	£ 000	7,133	7,280
Administration expenses (excl. foreign exchange) as a % of turnover	%	6	6
Operating profit	£ 000	35,740	24,538

#### Future developments

The Company will continue to follow its strategy to increase worldwide exploitation and distribution of ITV television programming.

## **ITV Studios Global Distribution Limited**

### **Strategic Report for the Year Ended 31 December 2022 (continued)**

#### **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, high performing, creatively dynamic organisation and 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 continues to exploit diverse revenue streams across multiple platforms.
- Failure to obtain distribution rights for a sufficient number of hit shows/formats. This risk is mitigated by focussing on programmes and genres which can return and travel internationally.
- Failure to continue to evolve our organisational structure and culture could prevent us attracting or retaining key commercial and management talent to deliver our strategy. Employing and retaining the best commercial and management talent in a competitive market is key to our success. Risk is mitigated by ensuring engagement across the business with our More than TV strategy and capturing lessons learned from recent investments in programming through ongoing programme appraisals.

A comprehensive review of the Company's strategy, outlining the development, performance and position of the Company's business can be found in the Strategic Report of the group in the ITV plc Annual Report. The Annual Report of ITV plc is available to the public and may be obtained from [www.itvplc.com](http://www.itvplc.com) or the Company Secretary, ITV White City, 201 Wood Lane, London, W12 7RU.

#### **Anti-bribery and corruption**

A comprehensive review of the Company's policies relating to anti-bribery and corruption can be found in the Strategic Report of the group in the ITV plc annual report (page 70).

## ITV Studios Global Distribution Limited

### Strategic Report for the Year Ended 31 December 2022 (continued)

#### Section 172 (1) Statement - Directors' Statement in performance of their duties under section 172(1)

The Board of ITV plc are responsible for governance and oversight across the ITV Group and the duties under Section 172(1) of the Companies Act 2006 ('s172') in respect of ITV plc. As ITV Studios Global Distribution Limited (the 'Company') is part of the ITV Group, its directors (the 'Directors') believe that certain matters they are responsible for under s172 in respect of the Company have been considered to an appropriate extent by the Board of ITV plc in relation both to the ITV Group and the Company and reference to this is made below.

The Directors consider and approve relevant matters during the year. To the extent necessary for an understanding of the development, performance and position of the Company, an explanation of how the Directors have specifically considered the matters set out in s172 is set out below:

- **The long term:** The Directors are fully cognisant of the evolving media landscape in which the Company operates and that the production environment remains competitive. ITV Group's strategy continues to a leading force in the creation and ownership of intellectual property (IP), global content production and distribution. The business is increasingly scaled and diversified business, by genre, geography and customer, in the key creative markets around the world. This has been achieved by focusing on our four strategic pillars as follows: growing our scripted business, growing our global formats business, and further diversifying our customer base, all of which is underpinned by our ability to attract and retain leading talent. The Company's focus has been on strengthening its portfolio of successful drama by continuing to fund and distribute UK and International drama, as well as finished tape versions of ITV Studios entertainment and factual entertainment shows. A key priority is looking at how to drive long-term revenues from new market entrants as well as continuing to exploit new rights opportunities. The Directors also considered and approved the launch of the ITV Together Programme, a hugely significant global programme for our business and transforming how we all work.

- **Employees:** The Directors know that the workforce are key to the Company's success and are dedicated to nurturing an inclusive working environment where everyone can reach their full potential and thrive. As the Company is embedded within the ITV Group governance structure it is fully aligned with ITV on workforce engagement and an explanation of how ITV plc have engaged with the workforce and taken them into consideration through its discussions and decision-making is set out on page 112 of ITV plc's 2022 annual report. Further information on ITV's commitment to its workforce is set out on pages 54 to 56 of ITV plc's 2022 annual report, which does not form part of this report.

- **Business relationships - suppliers, customers:** The Directors are committed to fostering good working business relationships with their key stakeholders which include Partners, other Broadcasters and Platform Owners. The Directors recognise that an understanding of the issues relating to these stakeholders is fundamental to building and maintaining the successful relationships, enabling the Company to take advantage of the strong and mutually beneficial opportunities needed to ensure the success of the Company. As the Company is fully embedded within the ITV Group governance structure, the Directors seek to align themselves with ITV plc's engagement mechanisms and an explanation of how the Directors of ITV plc have had regard to the need to foster the Company's business relationships are set out on page 105 to 111 of ITV plc's 2022 annual report which does not form a part of this report, with detail on partners including other broadcasters and platform owners is set out on page 106.

- **Community & environment:** The Directors have regard to the impact of the Company's operations on the environment and consider that as a result of being embedded within the ITV Group governance structure, the Directors of ITV plc have taken the lead in carrying out the duties in respect of the community, wider environmental issues and diversity and inclusion targets. Further information on ITV's Social Purpose strategy and 2022 initiatives - structured around better health, giving back, climate action and diversity and inclusion, environment and giving back targets - is set out on pages 44 to 53 of ITV plc's 2022 annual report, which does not form a part of this report.

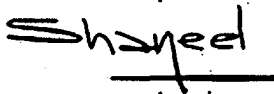
## ITV Studios Global Distribution Limited

### Strategic Report for the Year Ended 31 December 2022 (continued)

#### Section 172 (1) Statement - Directors' Statement in performance of their duties under section 172(1) (continued)

• **High standards of business conduct:** The Directors' intention is to ensure that the Company and its subsidiaries operate in an ethical and responsible way. As a part of the ITV Group, they recognise that a healthy corporate culture is the cornerstone to ensuring high standards of business conduct and governance that also pervade business dealings with stakeholders outside of the organisation. The Directors consider that as a result of being embedded within the ITV Group governance structure, the Directors of ITV plc have taken the lead in promoting these facets and details on how it monitored and assessed culture during the year is set out on page 114 in ITV plc's 2022 annual report, which does not form a part of this report. ITV's commitment to high standards of business contact is also enshrined in the Code of Ethics and Conduct available on the ITV plc website. ITV's culture also pervades its business dealings with stakeholders outside of the organisation, as exemplified by its work with suppliers in relation to modern slavery and membership of the Prompt Payment Code.

Approved by the board on 01/09/2023 and signed on its behalf by:



.....  
S Suleman  
Director

## **ITV Studios Global Distribution Limited**

### **Directors' Report for the Year Ended 31 December 2022**

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

As permitted by Section 414C (11) of the Companies Act 2006, some matters required to be included in the Directors' Report have instead been included in the Strategic Report as the directors consider they are of strategic importance to the Company.

#### **Directors of the Company**

The Directors of the Company, who were in office during the year and up to the date of signing the financial statements, were as follows:

S Suleman

R A Berry

D P McGraynor

#### **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 2022 (2021: £Nil).

#### **Going concern**

ITV plc has indicated that for at least twelve months from the date of approval of these financial statements, it intends to continue to make available such funds as are needed by the Company for the period covered by the going concern assessment.

The 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).

## **ITV Studios Global Distribution Limited**

### **Directors' Report for the Year Ended 31 December 2022 (continued)**

#### **Statement of Directors' responsibilities in respect of the financial statements**

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

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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.

#### **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.

#### **Appointment of auditor**

The external auditor for the 2022 financial year was PricewaterhouseCoopers LLP. The Independent Auditor's Report starting on page 8 sets out the information contained in the Annual Report which has been audited by the external auditor.

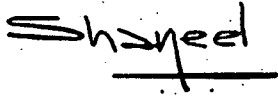
The Directors considered the performance and audit fees from the external auditor, and the level of non-audit work undertaken. PricewaterhouseCoopers LLP are deemed to be reappointed as external auditors for a further year.



**ITV Studios Global Distribution Limited**

**Directors' Report for the Year Ended 31 December 2022 (continued)**

Approved by the board on 01/09/2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'S Suleman', with a horizontal line drawn underneath the name.

.....  
S Suleman  
Director

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

# Independent auditors' report to the members of ITV Studios Global Distribution Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, ITV Studios Global Distribution Limited's financial statements:

- give a true and fair view of the state of the 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 (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Statement of Financial Position as at 31 December 2022; the Income Statement, Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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 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.

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.

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

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

## **Reporting on other information**

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

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

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Director's Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

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

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to specifically the posting of inappropriate journal entries to manipulate financial results. Audit procedures performed by the engagement team included:

- Enquiry of management around actual and potential fraud and non-compliance with laws and regulations
- Reviewing journal entries posted to identify any unusual account combinations
- Reviewing financial statement disclosures and testing to supporting documentation

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations; or through collusion.

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

### **Use of this report**

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

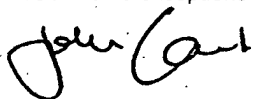
## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Jonathan Lambert (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
1 September 2023

# ITV Studios Global Distribution Limited

## Income Statement for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Revenue	3	278,174	232,972
Cost of sales		<u>(224,483)</u>	<u>(195,447)</u>
Gross profit		53,691	37,525
Administrative expenses		<u>(17,951)</u>	<u>(12,987)</u>
Operating profit	4	35,740	24,538
Finance income	8	2,096	545
Finance costs	9	<u>(88)</u>	<u>(9)</u>
Profit before tax		37,748	25,074
Taxation	10	<u>(10,035)</u>	<u>(6,335)</u>
Profit for the year		<u>27,713</u>	<u>18,739</u>

The above results were derived from continuing operations.

# ITV Studios Global Distribution Limited

## Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Profit for the year		<u>27,713</u>	<u>18,739</u>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Loss on cash flow hedges (net)		(3,706)	(144)
Income tax effect on cash flow hedges		<u>865</u>	<u>194</u>
Other comprehensive (expense) / income for the year		<u>(2,841)</u>	<u>50</u>
Total comprehensive income for the year		<u><u>24,872</u></u>	<u><u>18,789</u></u>

The notes on pages 16 to 39 form an integral part of these financial statements.

# ITV Studios Global Distribution Limited

(Registration number: 02203983)

## Statement of Financial Position as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
<b>Non-current assets</b>			
Property, plant and equipment	11	-	-
Intangible assets	12	31	-
Investments	13	2,093	2,093
Derivative financial instruments	14	1,065	236
Distribution rights	15	47,537	38,740
Trade and other receivables	16	22,248	27,641
Deferred tax assets	17	802	-
		<u>73,776</u>	<u>68,710</u>
<b>Current assets</b>			
Trade and other receivables	16	271,500	206,846
Contract assets	18	14,757	13,622
Derivative financial instruments	14	248	1,408
Cash and cash equivalents	19	-	46
		<u>286,505</u>	<u>221,922</u>
<b>Current liabilities</b>			
Trade and other payables	20	(203,619)	(165,106)
Derivative financial instruments	14	(4,282)	(523)
Contract liabilities	18	(28,776)	(25,476)
		<u>(236,677)</u>	<u>(191,105)</u>
<b>Net current assets</b>		<u>49,828</u>	<u>30,817</u>
<b>Non-current liabilities</b>			
Derivative financial instruments	14	(153)	-
Trade payables	20	(16,688)	(17,600)
Deferred tax liabilities	17	-	(9)
		<u>(16,841)</u>	<u>(17,609)</u>
<b>Net assets</b>		<u>106,763</u>	<u>81,918</u>

The notes on pages 16 to 39 form an integral part of these financial statements.

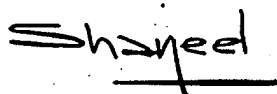
**ITV Studios Global Distribution Limited**

**(Registration number: 02203983)**

**Statement of Financial Position as at 31 December 2022 (continued)**

	<b>Note</b>	<b>2022 £ 000</b>	<b>2021 £ 000</b>
<b>Equity</b>			
Share capital	23	5,300	5,300
Capital redemption reserve		8,611	8,611
Other reserves		(1,936)	905
Retained earnings		94,788	67,102
<b>Total equity</b>		<b>106,763</b>	<b>81,918</b>

The financial statements on pages 11 to 39 were authorised for issue by the Board of Directors on 01/09/2023 and signed on its behalf by:



.....  
S Suleman  
Director

The notes on pages 16 to 39 form an integral part of these financial statements.



**ITV Studios Global Distribution Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2022**

	Share capital £ 000	Capital redemption reserve £ 000	Other reserves £ 000	Retained earnings £ 000	Total equity £ 000
Balance at 1 January 2022	5,300	8,611	905	67,102	81,918
Profit for the year	-	-	-	27,713	27,713
Other comprehensive expense	-	-	(2,841)	-	(2,841)
Tax on items taken directly to equity	-	-	-	(27)	(27)
Balance at 31 December 2022	<u>5,300</u>	<u>8,611</u>	<u>(1,936)</u>	<u>94,788</u>	<u>106,763</u>

	Share capital £ 000	Capital redemption reserve £ 000	Other reserves £ 000	Retained earnings £ 000	Total equity £ 000
Balance at 1 January 2021	5,300	8,611	855	48,366	63,132
Profit for the year	-	-	-	18,739	18,739
Other comprehensive income	-	-	50	-	50
Tax on items taken directly to equity	-	-	-	(3)	(3)
Balance at 31 December 2021	<u>5,300</u>	<u>8,611</u>	<u>905</u>	<u>67,102</u>	<u>81,918</u>

The notes on pages 16 to 39 form an integral part of these financial statements.  
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## **ITV Studios Global Distribution Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **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 Studios Global Distribution Limited (the "Company") is a private company, limited by shares, incorporated, domiciled and registered in England in the UK. The registered number is 02203983 and the registered address is ITV White City, 201 Wood Lane, London, W12 7RU.

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.

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

## ITV Studios Global Distribution Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 1 Accounting policies (continued)

##### Summary of disclosure exemptions

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

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' - comparative information requirements in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
  - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (statement of cash flows information); and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.
- 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; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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

##### Changes in accounting policy

##### New standards, interpretations and amendments effective

There are no amendments to accounting standards, or IFRIC interpretations, that are effective for the year ended 31 December 2022 that have a material impact on the Company's financial statements.

## **ITV Studios Global Distribution Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

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

##### **Exemption from preparing group financial statements**

The Company is a wholly owned subsidiary of its ultimate parent entity, ITV Plc. It is included in the consolidated financial statements of ITV Plc, which are publicly available. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is ITV White City, 201 Wood Lane, London, W12 7RU.

These financial statements are separate financial statements.

##### **Going concern**

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

The Company participates in the ITV plc intra-group cash pool arrangement. 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 working capital. 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.

The Directors have prepared a going concern assessment covering a period of 12 months from the date of approval of the financial statements, which indicates that, although current economic conditions continue to create uncertainty, the Company will have sufficient funds through funding from its ultimate parent company, ITV plc, to meet its liabilities as they fall due for that period.

ITV plc has indicated that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company.

On this basis, and on their assessment of the Company's financial position, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of this report. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

## ITV Studios Global Distribution Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 1 Accounting policies (continued)

##### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when performance obligations have been satisfied and for the Company this is when the goods or services have transferred to the customer and the customer has control of these. The Company's activities are described in detail below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is stated exclusive of VAT and represents licence fees and royalties earned on the international exploitation of TV and film distribution rights. It can be classified into the following categories:

##### 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.

##### Format rights

- 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) by the Company or a sub-distributor.

##### Other revenue

- Royalties receivable in excess of minimum guarantees are recognised at the point at which such royalties become due and payable to the Company.

- A licence is granted for the use of clips, stills or the use of the brand for ancillary products in a stated territory, media/product line and period. Revenue is recognised at the point where the contract is signed, the content is available and the licence period has started.

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

##### Finance income and costs

Finance income and costs comprise interest income on funds invested and interest expense on borrowings. Interest income and expense is recognised as it accrues in profit or loss, using the effective interest method.

## **ITV Studios Global Distribution Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

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

##### **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 transactions. The tax charge comprises both current and deferred tax. The calculation of the Company's tax charge involves 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 and judgement of the additional taxes that are likely to become due. 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.

The Company is a member of the ITV plc tax group. ITV introduced a policy of paying for losses available for group tax relief across UK entities. This subsequently creates a group relief receivable within trade and other receivables or a group relief payable within trade and other payables.

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.

Deferred tax assets and liabilities are disclosed net to the extent that they relate to taxes levied by the same authority and the Company has the right of set-off.

##### **Current / non-current distinction**

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or use in, the course of the Company's operating cycle. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of the Company's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

## ITV Studios Global Distribution Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 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 provided to write off the cost of property, plant and equipment less estimated residual value, on a straight-line basis over their estimated useful lives. The annual 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

##### Intangible assets

Intangible assets other than goodwill are those that are distinct and can be sold separately or which arise from legal rights.

Intangible assets are stated at cost less accumulated amortisation.

##### 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

##### Investments

The Statement of Financial Position includes investments at cost less amounts written off in respect of any impairment.

##### Derivative 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 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 from third parties. 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 counter parties.

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.

## **ITV Studios Global Distribution Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

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

##### **Distribution rights**

Distribution rights are programme rights the Company buys from producers to derive future revenue, principally through licensing to broadcasters, SVOD services and other platforms. These are classified as non-current assets as these rights are used to derive long-term economic benefit for the Company.

Distribution rights are recognised initially at cost and charged through cost of sales in the Income Statement over a period not exceeding five years, reflecting the value and pattern in which the right is consumed. Advances paid for the acquisition of distribution rights are disclosed as distribution 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.

##### **Trade and other receivables**

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

The credit risk management practices of the Company include internal review and reporting of the ageing of trade and other receivables by days past due. The Company applies the IFRS 9 simplified approach in measuring expected credit losses, which use a lifetime expected credit loss allowance for all trade receivables.

To measure expected credit losses, trade receivables are grouped by shared credit risk characteristics and days past due. In addition to the expected credit losses, the Company may make additional provisions for the receivables of particular customers if the deterioration of financial position was observed.

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

The Company participates in the intra-group cash pool arrangement 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.

##### **Contract assets and liabilities**

Contract assets (accrued income) primarily relate to the Company's right to consideration for work completed but not billed at the reporting date.

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

##### **Cash and cash equivalents**

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

##### **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 to approximate fair value.



## **ITV Studios Global Distribution Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

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

##### **Share capital**

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

##### **Defined contribution pension obligation**

A defined contribution plan is a post-employment benefit plan 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.

##### **Share based payments**

The Company utilises share award schemes as part of its employee remuneration packages, and therefore operates a number of 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. The share-based compensation is not pensionable.

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, this will also fall under a share-based transaction. The Company recognises the retained earnings impact of the share-based compensation for the Group as awards are settled in ITV plc shares. The cost of providing those awards is recognised as a cost of investment to the subsidiaries that receive the service from employees. 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 SAYE scheme, a Black-Scholes model, taking into account the terms and conditions of the individual scheme. Expected volatility is based on the historic volatility of ITV plc shares over a three or five year period, based on the life of the options.

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, is recognised in the income statement, with a corresponding adjustment to equity.

##### **Short-term employee 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.

## **ITV Studios Global Distribution Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

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

##### **Financial risk management**

The Directors have carried out a robust assessment of the principal and emerging risks facing the Company, including in relation to its business model, future performance, solvency and liquidity. The Company's maximum exposure to credit risk is represented by the carrying amount of trade receivables and cash and cash equivalents.

The Company's exposure to credit risk for trade and other receivables is influenced mainly by the individual characteristics of each customer. The Company reviews significant receivables and will seek to take out credit insurance on an individual basis where appropriate.

The ITV Group operates investment guidelines with respect to surplus cash that emphasise preservation of capital. The guidelines set out procedures and limits on counterparty risk and maturity profile of cash placed. Counterparty limits for cash deposits are largely based upon long-term ratings published by the major credit rating agencies.

##### **Rounding**

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

##### **Contingent assets and liabilities**

A contingent asset or liability is a liability or assets that is not sufficiently certain to qualify for recognition as an asset or provision where uncertainty may exist regarding the outcome of future events.

#### **2 Accounting judgements and estimates**

The preparation of financial statements requires management to exercise judgement in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

For the current year, there were no significant judgements or estimates that require disclosure.

## ITV Studios Global Distribution Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 3 Revenue

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

	2022 £ 000	2021 £ 000
Sale of programme rights	260,080	218,416
Sale of format rights	10,195	10,557
Other revenue	7,899	3,999
	<u>278,174</u>	<u>232,972</u>

The analysis of the Company's revenue for the year by market is as follows:

	2022 £ 000	2021 £ 000
UK	75,813	53,784
Europe	57,054	59,794
Rest of world	145,307	119,394
	<u>278,174</u>	<u>232,972</u>

Revenue is stated net of VAT.

#### 4 Operating profit

Arrived at after charging/(crediting):

	2022 £ 000	2021 £ 000
Impairment of investment in subsidiary	-	208
Foreign exchange losses/(gains)	1,623	(1,351)
Loan impairment	124	109

#### 5 Staff costs

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

	2022 £ 000	2021 £ 000
Wages and salaries	6,133	5,660
Social security costs	772	650
Other pension costs	593	537
Pension costs, defined benefit scheme	23	30
Share-based payment expenses	294	258
	<u>7,815</u>	<u>7,135</u>

# ITV Studios Global Distribution Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 5 Staff costs (continued)

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

	2022 No.	2021 No.
Administration and support	37	40
Sales, marketing and distribution	39	32
	<u>76</u>	<u>72</u>

### 6 Directors' remuneration

In the year to 31 December 2022, 1 (2021: 1) Director received remuneration of:

	2022 £ 000	2021 £ 000
Remuneration	434	285
Contributions paid to defined contribution schemes	2	3
	<u>436</u>	<u>288</u>

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

	2022 No.	2021 No.
Received or were entitled to receive shares under long term incentive schemes	1	1
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid Director:

	2022 £ 000	2021 £ 000
Remuneration	434	285
Company contributions to defined contribution schemes	2	3
	<u>436</u>	<u>288</u>

During the year the highest paid Director exercised share options and also received or was entitled to receive shares under a long term incentive scheme.

In the year to 31 December 2022, 2 (2021: 2) Directors were remunerated by other ITV plc Group companies. These Directors received no remuneration in respect of their qualifying services to the Company (2021: £Nil).

## ITV Studios Global Distribution Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 7 Auditor's remuneration

The Company's auditor in 2022 is PwC LLP. The auditors remuneration of £38,000 (2021: £21,000) was borne by ITV Services Limited.

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. There were no fees payable in 2022 or 2021 to PwC LLP or their associates for the auditing of financial statements of any associate or pension scheme of the ITV Group, internal audit, and services relating to corporate finance transactions entered into or proposed to be entered into, by or on behalf of the ITV Group or any of its associates.

#### 8 Finance income

	2022	2021
	£ 000	£ 000
Interest receivable from group undertakings	2,096	545

#### 9 Finance costs

	2022	2021
	£ 000	£ 000
Interest on bank overdrafts and borrowings	4	3
Interest payable to group undertakings	82	2
Other finance costs	2	4
	88	9

# ITV Studios Global Distribution Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 10 Taxation

Tax charged in the Income Statement:

	2022 £ 000	2021 £ 000
<b>Current taxation</b>		
UK corporation tax	1,906	2,504
UK corporation tax adjustment to prior periods	-	(5)
Foreign tax	2,791	1,511
Group relief payable	5,311	2,330
	<u>10,008</u>	<u>6,340</u>
Total current tax	<u>10,008</u>	<u>6,340</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	22	20
Arising from changes in tax rates and laws	5	(25)
Total deferred taxation	<u>27</u>	<u>(5)</u>
Tax expense in the Income Statement	<u>10,035</u>	<u>6,335</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021: higher than the standard rate of corporation tax in the UK) of 19% (2021: 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit before tax	<u>37,748</u>	<u>25,074</u>
Corporation tax at standard rate of 19% (2021: 19%)	7,172	4,764
UK corporation tax adjustment to prior periods	-	(5)
Effect of expenses not deductible in determining taxable profit	67	88
Group relief claimed	(5,311)	(2,330)
Payment for group relief	5,311	2,330
Increase from effect of foreign tax rates	2,791	1,511
Deferred tax credit relating to changes in tax rates or laws	5	(23)
Total tax charge	<u>10,035</u>	<u>6,335</u>

## ITV Studios Global Distribution Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 10 Taxation (continued)

##### Factors Impacting Future Tax Charges

The increase in the UK corporation tax rate from 19% to 25% which is effective from 1 April 2023 will increase the Company's future current tax charge and the impact on deferred tax in the current year is a £5,063 charge through the Income Statement.

In October 2021, the Organisation for Economic Co-operation and Development (OECD) agreed a two-pillar solution to address the tax challenges arising from the digitalisation of the economy. We are working through the implications of this and the financial impact it might have on ITV.

#### 11 Property, plant and equipment

	Vehicles, equipment and fittings £ 000
<b>Cost or valuation</b>	
At 1 January 2022	1,045
At 31 December 2022	1,045
<b>Depreciation</b>	
At 1 January 2022	1,045
At 31 December 2022	1,045
<b>Carrying amount</b>	
At 31 December 2022	-
At 31 December 2021	-

#### 12 Intangible assets

	Software licences and development £ 000
<b>Cost or valuation</b>	
At 1 January 2022	1,512
Additions	31
At 31 December 2022	1,543
<b>Amortisation</b>	
At 1 January 2022	1,512
At 31 December 2022	1,512
<b>Carrying amount</b>	
At 31 December 2022	31
At 31 December 2021	-

# ITV Studios Global Distribution Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 13 Investments

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost or valuation</b>	
At 1 January 2021	2,202
Additions	99
At 31 December 2021	2,301
At 1 January 2022	2,301
At 31 December 2022	2,301
<b>Provision</b>	
At 1 January 2021	-
Impairment provision	208
At 31 December 2021	208
At 1 January 2022	208
At 31 December 2022	208
<b>Carrying amount</b>	
At 31 December 2022	2,093
At 31 December 2021	2,093

Details of the subsidiaries as at 31 December 2022 are as follows:

<b>Name of Subsidiary</b>	<b>Registered Office</b>	<b>Share Type</b>	<b>Country of incorporation and principal place of business</b>	<b>Proportion of ownership interest and voting rights held</b>
Carlton Programmes Development Limited	ITV White City, 201 Wood Lane, London, United Kingdom, W12 7RU	Ordinary	UK	100%
ITV Studios Global Distribution (Hong Kong) Limited	Rooms 517-520, 5th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong	Ordinary	Hong Kong	100%



## ITV Studios Global Distribution Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 13 Investments (continued)

Name of Subsidiary	Registered Office	Share Type	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held
Futureflip Entertainment India LLP	#1302, Tower-3, Indiabulls Finance Centre, Senapati Bapat Road, Elphinstone Road (West), Mumbai, Mumbai City, Maharashtra 40013, India	Membership / Partnership	India	100%

The carrying value of the Company's investments in subsidiary undertakings is assessed for impairment on an annual basis. Determining whether the carrying amount has any indication of impairment requires judgement. In testing for impairment, estimates are used in deriving cash flows and the discount rates. The estimation process is complex due to the inherent risks and uncertainties associated with long-term forecasting. The outcome of the value in use calculation supports the carrying value of the investment in subsidiary undertakings with significant headroom. Due to the significant headroom, there is no reasonably possible scenario that would result in a material adjustment to the amounts reported in the financial statements.

#### Associates

Details of the associates as at 31 December 2022 are as follows:

Name of Associate	Registered Office	Share Type	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held
Route 24 Limited	325 - 327 Oldfield Lane North, Greenford, Middlesex, UB6 0FX	Ordinary	UK	24.9%

# **ITV Studios Global Distribution Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

### **14 Derivative financial instruments**

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Non-current financial assets</b>		
Derivatives used for hedging	<u>1,065</u>	<u>236</u>
	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current financial assets</b>		
Derivatives used for hedging	<u>248</u>	<u>1,408</u>
	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current financial liabilities</b>		
Derivatives used for hedging	<u>(4,282)</u>	<u>(523)</u>
	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Non-current financial liabilities</b>		
Derivatives used for hedging	<u>(153)</u>	<u>-</u>

## ITV Studios Global Distribution Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 15 Distribution rights

	2022 £ 000	2021 £ 000
Distribution rights	<u>47,537</u>	<u>38,740</u>

During the year, £45,329,526 (2021: £45,652,482) was charged to the Income Statement.

#### 16 Trade and other receivables

##### Non-current assets

	2022 £ 000	2021 £ 000
Trade receivables	<u>22,248</u>	<u>27,641</u>

##### Current assets

	2022 £ 000	2021 £ 000
Trade receivables	96,177	83,633
Amounts due from group undertakings	175,266	123,153
Prepayments	<u>57</u>	<u>60</u>
	<u>271,500</u>	<u>206,846</u>

Included in amounts due from group undertakings are amounts of £150,104,898 (2021: £105,815,301) which relate to balances associated with the ITV plc intra-group treasury arrangement. This balance is repayable on demand and attracts interest of 0.5% above base rate per annum.

Included in amounts due from group undertakings is an amount of £25,161,370 (2021: £17,337,712) which represents intercompany trading, has no associated interest and is repayable on demand.

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

# **ITV Studios Global Distribution Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

### **17 Deferred tax**

#### **Deferred tax**

#### Deferred tax assets and liabilities

	<b>Asset</b>	<b>Liability</b>	<b>Net deferred</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>tax</b>
<b>2022</b>			<b>£ 000</b>
Accelerated tax depreciation	90	-	90
Share-based payment	41	-	41
Fair value movements on financial instruments	739	(68)	671
	<u>870</u>	<u>(68)</u>	<u>802</u>

	<b>Asset</b>	<b>Liability</b>	<b>Net deferred</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>tax</b>
<b>2021</b>			<b>£ 000</b>
Accelerated tax depreciation	103	-	103
Share-based payment	82	-	82
Fair value movements on financial instruments	-	(194)	(194)
	<u>185</u>	<u>(194)</u>	<u>(9)</u>

#### Deferred tax movement during the year:

	<b>At 1 January</b>	<b>Recognised</b>	<b>Recognised</b>	<b>Recognised</b>	<b>At</b>
	<b>2022</b>	<b>in income</b>	<b>in other</b>	<b>in equity</b>	<b>31</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>comprehensive</b>	<b>£ 000</b>	<b>December</b>
			<b>income</b>		<b>2022</b>
			<b>£ 000</b>		<b>£ 000</b>
Accelerated tax depreciation	103	(13)	-	-	90
Share-based payment	82	(14)	-	(27)	41
Fair value movements on financial instruments	(194)	-	865	-	671
	<u>(9)</u>	<u>(27)</u>	<u>865</u>	<u>(27)</u>	<u>802</u>

# ITV Studios Global Distribution Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 17 Deferred tax (continued)

Deferred tax movement during the prior year:

	At 1 January 2021 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	Recognised in equity £ 000	At 31 December 2021 £ 000
Accelerated tax depreciation	103	-	-	-	103
Share-based payment	81	5	-	(4)	82
Fair value movements on financial instruments	-	-	(194)	-	(194)
	<u>184</u>	<u>5</u>	<u>(194)</u>	<u>(4)</u>	<u>(9)</u>

### 18 Contract assets and liabilities

The following table provides information about opening and closing contract assets and liabilities from contracts with customers.

	2022		2021	
	Contract assets £ 000	Contract liabilities £ 000	Contract assets £ 000	Contract liabilities £ 000
Balance at 31 December	<u>14,757</u>	<u>(28,776)</u>	<u>13,622</u>	<u>(25,476)</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 £25,476,000 (2021: £16,877,000).

### 19 Cash and cash equivalents

	2022 £ 000	2021 £ 000
Cash at bank	<u>-</u>	<u>46</u>

# ITV Studios Global Distribution Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 20 Trade and other payables

#### Non-current liabilities

	2022 £ 000	2021 £ 000
Trade and other payables	16,688	17,600

#### Current liabilities

	2022 £ 000	2021 £ 000
Trade payables	2,235	1,571
Amounts due to group undertakings	106,193	77,585
Accrued expenses	76,099	71,053
Other payables	11,451	10,024
Group relief payable	7,641	4,873
	<u>203,619</u>	<u>165,106</u>

Included in amounts due to group undertakings is an amount of £106,193,271 (2021: £77,584,933) which represents intercompany trading, has no associated interest and is repayable on demand.

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

### 21 Pension and other schemes

#### Defined contribution pension scheme

Obligations under the Group's defined contribution schemes are recognised as an operating cost in the Income Statement as incurred. For the year, total contributions expensed were £593,462 (2021: £538,051).

### 22 Share-based payments

#### Scheme description

The weighted average share price of share options exercised during the year was 50.61 pence (2021: 72.3 pence) (excluding nil priced share options). The options outstanding at the year end have an exercise price in the range of nil to 130.61 pence (2021: nil to 162.55 pence) and a weighted average contractual life of two years (2021: two years) for all the schemes in place for the Group.

# ITV Studios Global Distribution Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 23 Share capital

#### Allotted, called up and fully paid

	2022		2021	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>5,300</u>	<u>5,300</u>	<u>5,300</u>	<u>5,300</u>

### 24 Commitments

#### Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2021: £26,312).

### 25 Contingent liabilities

Under a Group registration, the Company is jointly and severally liable for VAT at 31 December 2022 of £35 million (31 December 2021: £53 million).

### 26 Related party transactions

#### Summary of transactions with other related parties

	2022 £ 000	2021 £ 000
Sales to Cirkus International Limited	205	522
Balance due from Cirkus International Limited	394	682

The transactions with Cirkus International Limited primarily relate to finished tape sales.

All transactions with Cirkus International Limited are in the normal course of business on an arms length basis. None of these balances are secured.

	2022 £ 000	2021 £ 000
Sale to Independent Television News Limited	120	34
Balance due from Independent Television News Limited	-	-

The transactions with Independent Television News Limited primarily relate to clip sales.

All transactions with Independent Television News Limited are in the normal course of business on an arms length basis. None of these balances are secured.

# **ITV Studios Global Distribution Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

### **26 Related party transactions (continued)**

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Sale to Britbox LLC	20,135	11,740
Deferred revenue with Britbox LLC	31	451
Balance due from Britbox LLC	5,681	5,633

The transactions with Britbox LLC primarily relate to finished tape sales.

All transactions with Britbox LLC are in the normal course of business on an arms length basis. None of these balances are secured.

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Sale to Britbox Australia Management Pty	6,089	3,075
Deferred revenue due from Britbox Australia Management Pty	96	19
Balance due from Britbox Australia Management Pty	4,054	1,622

The transactions with Britbox Australia Management Pty relate to finished tape sales.

All transactions with Britbox Australia Management Pty are in the normal course of business on an arms length basis. None of these balances are secured.

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Sale to Britbox International Ltd	6,304	1,168
Deferred revenue from Britbox International Ltd	194	-
Balance due from Britbox International Ltd	1,210	1,405

The transactions with Britbox International Ltd primarily relate to finished tape sales.

All transactions with Britbox International Ltd are in the normal course of business on an arms length basis. None of these balances are secured.

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Purchases from World Productions Limited	7,856	11,677
Balance due to World Productions Limited	551	862

The transactions with World Productions Limited primarily relate to the purchase of distribution rights.

All transactions with World Productions Limited are in the normal course of business on an arms length basis. None of these balances are secured.



## **ITV Studios Global Distribution Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

#### **26 Related party transactions (continued)**

On 1 July 2022, ITV plc completed an acquisition of a majority shareholding of 79.5% in Plimsoll Productions Limited (through its holding company Escapade Bidco Limited). Since the acquisition date, ITV Studios Global Distribution Limited have made purchases of £400,000 from Plimsoll Productions Limited. As at the reporting date, there is no outstanding balance due to Plimsoll Productions Limited. Since the acquisition date, ITV Studios Global Distribution Limited have made sales of £3,954 to Plimsoll Productions Limited. As at the reporting date, an amount of £54 is due from Plimsoll Productions Limited.

The purchases from Plimsoll Productions Limited primarily relate to the purchase of distribution rights and the sales to Plimsoll Productions Limited primarily relate to finished tape sales. All transactions with Plimsoll Productions Limited are in the normal course of business on an arms length basis. None of these balances are secured.

ITV Studios Global Distribution Limited have also had transactions with Year On Earth Productions Ltd, who are a subsidiary of Escapade Bidco Limited. Since the acquisition date, ITV Studios Global Distribution Limited have made purchases of £5,085,536 from Year On Earth Productions Ltd. As at the reporting date, an amount of £3,672,973 is due to Year On Earth Productions Ltd.

The purchases from Year On Earth Productions Ltd primarily relate to the purchase of distribution rights. All transactions with Year On Earth Productions Ltd are in the normal course of business on an arms length basis. None of these balances are secured.

#### **27 Parent of group in whose consolidated financial statements the Company is consolidated**

The smallest and largest group in whose consolidated financial statements the Company's financial statements are consolidated is ITV plc.

These financial statements are available upon request from ITV White City, 201 Wood Lane, London, W12 7RU.

#### **28 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 ITV White City, 201 Wood Lane, London, W12 7RU.

The ultimate controlling party is ITV plc.