

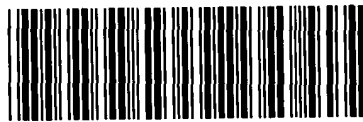
Registration number: 02483078

# World Productions Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

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## **World Productions Limited**

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## **World Productions Limited**

### **Directors' Report for the Year Ended 31 December 2020**

The Directors present their report and the financial statements for the year ended 31 December 2020.

#### **Principal activity**

The principal activity of the business continues to be that of television production for UK broadcast and distribution throughout the world.

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

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

R Seligman

S Heath

M Gardner

J Bellamy

S Debonnaire (appointed 25 February 2020)

#### **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 2020 (2019: £Nil).

#### **Fair review of the business**

The results for the Company show a profit for the year £184,170 (2019: £1,051,957). At the statement of financial position date the Company had net liabilities of £3,880,363 (2019 £4,064,824). The Company enters directly into contracts with the external broadcasters for all productions, in addition to earning production fees for the services provided to subsidiary entities, thus resulting in the revenue increase of £4,449,634. The entity now benefits from international exploitation of prior year productions, thus resulting in a revenue increase of £501,868. However, the payaways associated with such revenues reflect the reduced margins.

#### **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.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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**

On 3 March 2021, the UK Government announced a change in the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The rate change was substantively enacted on 24 May 2021 and therefore is not reflected in the deferred tax assets or liabilities as at 31 December 2020. The impact on deferred tax assets and liabilities is not expected to be material.

## **World Productions Limited**

### **Directors' Report for the Year Ended 31 December 2020**

#### **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 2020 financial year was KPMG LLP. In 2019 the ITV Group Audit and Risk Committee undertook an external audit tender and PricewaterhouseCoopers LLP were appointed auditors and have accepted the appointment as the external auditor, with its appointment to take effect from, and including, the 2021 financial year. Accordingly, a resolution to appoint PricewaterhouseCoopers LLP as external auditor to the ITV plc group from 2021 was passed at the ITV plc AGM.

#### **Small companies provision statement**

This report has been prepared in accordance with the provisions available to companies entitled to the small companies exemption.

Approved by the Board on 22/12/2021 and signed on its behalf by:



.....  
M Gardner  
Director

**Registered office 2**  
Waterhouse Square  
140 Holborn London  
EC1N 2AE

## **World Productions Limited**

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

The Directors are responsible for preparing 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 World Productions Limited**

### **Opinion**

We have audited the financial statements of World Production Limited ("the company") for the year ended 31 December 2020 which comprise the Income Statement, 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 2020 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 their 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 their 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

## **Independent Auditor's Report To The Members Of World Productions Limited**

### **Fraud and breaches of laws and regulations - ability to detect**

#### ***Identifying and responding to risks of material misstatement due to fraud***

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors and inspection of policy documentation as to ITV plc's high-level policies and procedures to prevent and detect fraud that apply to this company, and the channel for "whistleblowing", as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering the remuneration incentive scheme for directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that that programme production, distribution and development revenue is recorded incorrectly.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual revenue account pairings, entries processed outside the normal course of business, entries without description and entries containing key words.

#### ***Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations***

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the Financial Statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the Financial Statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and corruption, employment law and data privacy recognising the nature of the Company's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other Management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## **Independent Auditor's Report To The Members Of World Productions Limited**

### ***Context of the ability of the audit to detect fraud or breaches of law or regulation***

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Directors' Report**

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3, 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.

## **Independent Auditor's Report To The Members Of World Productions Limited**

### **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](http://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.



Christian Bower-Sloane (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

Date: 22 December 2021

# World Productions Limited

## Income Statement for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Revenue	3	13,220,274	8,292,077
Cost of sales		<u>(11,081,013)</u>	<u>(5,255,203)</u>
Gross profit		2,139,261	3,036,874
Administrative expenses		<u>(1,782,899)</u>	<u>(1,831,824)</u>
Operating profit		356,362	1,205,050
Finance income	4	55,626	5
Finance expense	5	<u>(266,892)</u>	<u>(153,685)</u>
Profit before tax		145,096	1,051,370
Taxation	9	<u>39,074</u>	<u>587</u>
Profit for the year		<u>184,170</u>	<u>1,051,957</u>

The above results were derived from continuing operations.

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

# World Productions Limited

(Registration number: 02483078)

## Statement of Financial Position as at 31 December 2020

	Note	2020 £	2019 £
<b>Non-current assets</b>			
Property, plant and equipment	11	168,598	264,938
Investments	12	12	7
Deferred tax assets	10	2,411	2,926
Trade and other receivables	13	9,372	9,372
		<u>180,393</u>	<u>277,243</u>
<b>Current assets</b>			
Inventory	17	188,855	49,174
Trade and other receivables	13	27,117,535	8,293,472
Contract assets	14	361,025	163,012
		<u>27,667,415</u>	<u>8,505,658</u>
<b>Current liabilities</b>			
Trade and other payables	16	(16,900,444)	(9,605,307)
Loans and borrowings	15	-	(4,909)
Lease liabilities	18	(110,328)	(97,379)
Contract liabilities	14	(13,714,780)	(2,970,466)
		<u>(30,725,552)</u>	<u>(12,678,061)</u>
<b>Net current liabilities</b>		<u>(3,058,137)</u>	<u>(4,172,403)</u>
<b>Non-current liabilities</b>			
Lease liabilities	18	(59,335)	(169,664)
Other payables	16	(943,284)	-
		<u>(1,002,619)</u>	<u>(169,664)</u>
<b>Net liabilities</b>		<u>(3,880,363)</u>	<u>(4,064,824)</u>
<b>Equity</b>			
Share capital	20	117,149	117,149
Retained earnings		<u>(3,997,512)</u>	<u>(4,181,973)</u>
		<u>(3,880,363)</u>	<u>(4,064,824)</u>

These accounts have been prepared in accordance with the provisions available to companies entitled to the small companies exemption.

Approved by the Board on 22/12/2021 and signed on its behalf by:



.....  
M Gardner  
Director

The notes on pages 11 to 31 form an integral part of these financial statements.

# World Productions Limited

## Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £	Retained earnings £	Total £
Balance at 1 January 2020	117,149	(4,181,973)	(4,064,824)
Profit for the year	-	184,170	184,170
Tax on items taken directly to equity	-	291	291
Balance at 31 December 2020	<u>117,149</u>	<u>(3,997,512)</u>	<u>(3,880,363)</u>

	Share capital £	Retained earnings £	Total £
At 1 January 2019	117,149	(5,234,026)	(5,116,877)
Profit for the year	-	1,051,957	1,051,957
Tax on items taken directly to equity	-	96	96
At 31 December 2019	<u>117,149</u>	<u>(4,181,973)</u>	<u>(4,064,824)</u>

The notes on pages 11 to 31 form an integral part of these financial statements.

## **World Productions Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **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**

World Productions Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 02483078 and the registered address is 2 Waterhouse Square, 140 Holborn, London, EC1N 2AE.

The Company is a qualifying entity as it is a member of the ITV plc Group where ITV plc, the ultimate parent prepares publicly available consolidated financial statements. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101').

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

##### **Measurement convention**

The financial statements are prepared on the historical cost basis.

##### **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 required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures regarding leases; 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.

## **World Productions Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

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

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;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations; 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**

The following have been applied for the first time from 1 January 2020.

#### ***Other new or amended accounting standards***

##### ***Amendments to IFRS 3***

The amendment provides entities with clearer application guidance to help distinguish between a business and a group of assets when applying IFRS 3.

##### ***IAS 1 'Presentation of financial statements and IAS 8 Accounting policies changes in Accounting Judgements and Estimates.***

The amendment clarifies the definition of material throughout IFRSs and the Conceptual Framework for Financial Reporting.

##### ***IFRS 9, IAS 39 and IFRS 17 - interest benchmark reform***

The amendments provide temporary relief which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate.

##### ***Amendments to the Conceptual framework***

The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS.

##### ***IFRS 16 'Leases'***

In response to the COVID-19 coronavirus pandemic, the amendments to IFRS 16 'Leases allow lessees not to account for rent concessions as lease modifications if they are a direct consequence of COVID-19 and meet certain conditions.

## **World Productions Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

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

##### **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 Directors have prepared a going concern assessment covering a period of 12 months from the date of approval of these accounts which indicates that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, 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.

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.

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.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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.

## **World Productions Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

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

##### **Revenue**

Revenue 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 production**

- Revenue generated from the programmes produced for broadcasters and OTT platforms in the UK, US and internationally is recognised at the point of delivery of an episode and acceptance by the customer. Revenue from producer for hire contracts, where in an event of cancellation cost is recovered plus a margin, is recognised over time. Payment term is 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 contract is available for download and the licence period has started. Payment term is over the term of the contract.

##### **Development revenue**

- Revenue generated from programme development is recognised as per the development agreement when the script is delivered to the broadcaster.

##### **Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants towards staff costs are recognised as other operating income over the periods necessary to match them with the related costs.

##### **Finance income and costs policy**

Finance income and costs comprise interest income on funds invested, gains / losses on the disposal of financial instruments, changes in the fair value of financial instruments, interest expense on borrowings, unwinding of the discount on provisions, unwinding of the discount on liabilities to non-controlling interest, foreign exchange gain/losses, and imputed interest on pension assets and liabilities. Interest income and expense is recognised as it accrues in profit or loss, using the effective interest method.

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

## **World Productions Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **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 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.

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.

## World Productions Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 1 Accounting policies (continued)

##### **Borrowings**

Borrowings are recognised initially at fair value less directly attributable transaction costs, with the subsequent measurement at amortised cost using the effective interest rate method. Under the amortised cost method, the difference between the amount initially recognised and the redemption value is recorded in the income statement over the period of the borrowing on an effective interest rate basis.

##### **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 payment.

##### **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**

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 Deferred Share Award scheme (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.

##### **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.

## World Productions Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 1 Accounting policies (continued)

##### Long term incentive plans (LTIPs)

Certain of the company's directors participate in a long term incentive plan. Amounts due under this scheme are only payable upon sale of the company. Accordingly, an expense will be only recognised when it's highly probable a sale will occur.

##### Exemption from preparing group accounts

The financial statements contain information about World Productions 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 parent, ITV plc, a company incorporated in United Kingdom.

##### Right of use assets

A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. These assets are called right of use assets and have been included on the balance sheet at a value equal to the discounted future lease payments. For leases recognised on transition to IFRS 16 'Leases' the value is also adjusted by any prepayments or lease incentives recognised immediately before the date of initial application.

##### 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.

##### Inventory

Inventories are stated at the lower of cost and net realisable value.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less estimated costs to complete and sell; the impairment loss is recognised immediately in the income statement.

##### Classification of financial instruments

The financial assets and liabilities of the Group are classified into the following financial statement captions in the statement of financial position in accordance with IFRS 9 'Financial Instruments':

- Loans and receivables - separately disclosed as cash and cash equivalents and trade and other receivables.
- Financial assets/liabilities at fair value through OCI - measured at fair value through other comprehensive income - separately disclosed as derivative financial instruments in assets/liabilities.
- Financial assets/liabilities at fair value through profit or loss - separately disclosed as derivative financial instruments in assets/liabilities and included in other payables (put option liabilities and contingent consideration).
- Financial liabilities measured at amortised cost - separately disclosed as borrowings and trade and other payables.

Judgement is required when determining the appropriate classification of the Company's financial instruments. Details on the accounting policies for measurement of the above instruments are set out in the relevant note. Where unconditional rights to set off financial instruments exist, the Company presents the relevant instruments net in the statement of financial position.

## **World Productions Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

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

##### **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.

Certain contracts for production of programmes in World Productions Limited meet over-time revenue recognition criteria under IFRS 15.

##### **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 term.

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.

##### **Investments**

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

##### **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.

##### **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.

##### **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.

##### **Recognition and derecognition of financial assets and liabilities**

The Company recognises a financial asset or liability when it becomes a party to the contract. Financial instruments are no longer recognised in the statement of financial position when the contractual cash flows expire or when the Company no longer retains control of substantially all the risks and rewards under the instrument.

## World Productions Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 2 Accounting judgements and estimates

The preparation of financial statements often requires management to exercise judgement in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the amounts reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. For the current year, there were no significant judgements that require disclosure.

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.

#### 3 Revenue

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

	31 December 2020 £	31 December 2019 £
Programme productions	11,091,428	6,641,794
Distribution revenue	1,480,700	978,832
Development revenue	648,146	671,451
	<u>13,220,274</u>	<u>8,292,077</u>

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

	31 December 2020 £	31 December 2019 £
UK	13,051,119	8,088,246
US	169,155	203,831
	<u>13,220,274</u>	<u>8,292,077</u>

Revenue, which arise wholly in the United Kingdom, is stated net of VAT.

#### 4 Finance income

	31 December 2020 £	31 December 2019 £
Interest receivable from group undertakings	<u>55,626</u>	<u>5</u>

# World Productions Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 5 Finance costs

	31 December 2020	31 December 2019
	£	£
Interest on bank overdrafts	512	565
Interest on leases	6,776	9,918
Foreign exchange losses	1,531	27
Interest payable to group undertakings	257,215	143,150
Other finance costs	858	25
	<u>266,892</u>	<u>153,685</u>

### 6 Staff costs

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

	31 December 2020	31 December 2019
	£	£
Wages and salaries	1,107,448	1,096,821
Social security costs	136,538	123,712
Pension costs, defined contribution scheme	91,815	91,397
Share-based payment expenses	(64,783)	(21,944)
	<u>1,271,018</u>	<u>1,289,986</u>

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

	31 December 2020	31 December 2019
	No.	No.
Production	<u>13</u>	<u>12</u>

### 7 Directors' remuneration

The Directors' remuneration for the period was as follows:

	31 December 2020	31 December 2019
	£	£
Remuneration	460,470	395,105
Pension	24,150	22,835
	<u>484,620</u>	<u>417,940</u>

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

# World Productions Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 7 Directors' remuneration (continued)

	31 December 2020 No.	31 December 2019 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:		
	31 December 2020 £	31 December 2019 £
Remuneration	297,110	240,838
Company contributions to money purchase pension schemes	<u>24,150</u>	<u>22,835</u>

In the year to 31st December 2020, 3 directors (2019: 3) were remunerated by other ITV plc Group Companies. These Directors received no remuneration of their services to this Company.

### 8 Auditor's remuneration

The auditor's remuneration for the year of £15,000 (2019: £15,000).

### 9 Taxation

Tax charged/(credited) in the income statement

	31 December 2020 £	31 December 2019 £
<b>Current taxation</b>		
UK corporation tax	-	-
Group relief payable / (receivable)	<u>(39,880)</u>	<u>-</u>
Total current income tax	<u>(39,880)</u>	<u>-</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	1,022	3,459
Arising from changes in tax rates and laws	(216)	-
Deferred tax adjustment to prior periods	<u>-</u>	<u>(4,046)</u>
Total deferred taxation	<u>806</u>	<u>(587)</u>
Tax charge in the income statement	<u>(39,074)</u>	<u>(587)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019: lower than the standard rate of corporation tax in the UK) of 19% (2019: 19%).

The differences are reconciled below:

# World Productions Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 9 Taxation (continued)

	31 December 2020 £	31 December 2019 £
Profit before tax	145,096	1,051,370
Corporation tax at standard rate	27,568	199,760
Income not taxable for tax purposes	(12,309)	(4,241)
Expenses not deductible for tax purposes	626	1,243
Group relief surrendered	39,880	29,199
Deferred tax not recognised	(1,680)	(197,726)
Receipt for group relief	(39,880)	-
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	-	(4,046)
Deferred tax expense (credit) relating to changes in tax rates or laws	(53,279)	(24,776)
Total tax credit	(39,074)	(587)

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with affect from 1 April 2020, and this change was substantively enacted on 17 March 2020. The UK deferred tax asset as at 31 December 2020 was calculated at 19%.

#### Factors affecting future tax charge

An increase in the rate of corporation tax from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly and have minimal impact on deferred tax.

### 10 Deferred tax

#### Deferred tax

Deferred tax assets and liabilities

2020	Asset £
Accelerated tax depreciation	1,685
Share-based payment	726
	<u>2,411</u>
2019	Asset £
Accelerated tax depreciation	1,839
Share-based payment	1,087
	<u>2,926</u>

# World Productions Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 10 Deferred tax (continued)

Deferred tax movement during the year:

	At 1 January 2020 £	Recognised in income £	Recognised in equity £	At 31 December 2020 £
Accelerated tax depreciation	1,839	(154)	-	1,685
Share-based payment	1,087	(652)	291	726
Net tax assets/(liabilities)	<u>2,926</u>	<u>(806)</u>	<u>291</u>	<u>2,411</u>

Deferred tax movement during the prior year:

	At 1 January 2019 £	Recognised in income £	Recognised in equity £	At 31 December 2019 £
Accelerated tax depreciation	2,243	(404)	-	1,839
Share-based payment	-	991	96	1,087
Net tax assets/(liabilities)	<u>2,243</u>	<u>587</u>	<u>96</u>	<u>2,926</u>

There are £2,355,187 of unused tax losses (2019 - £2,706,347) for which no deferred tax asset is recognised in the statement of financial position.

### 11 Property, plant and equipment

	Right of use assets ** £	Total £
<b>Cost or valuation</b>		
At 1 January 2020	<u>361,279</u>	<u>361,279</u>
At 31 December 2020	<u>361,279</u>	<u>361,279</u>
<b>Depreciation</b>		
At 1 January 2020	96,341	96,341
Charge for the year	<u>96,340</u>	<u>96,340</u>
At 31 December 2020	<u>192,681</u>	<u>192,681</u>
<b>Carrying amount</b>		
At 31 December 2020	<u>168,598</u>	<u>168,598</u>
At 31 December 2019	<u>264,938</u>	<u>264,938</u>

Included in net book value of right of use assets is £168,598 (2019: £264,938) related to properties.

## World Productions Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 12 Investments

<b>Subsidiaries</b>	<b>£</b>
<b>Cost or valuation</b>	
At 1 January 2020	12
At 31 December 2020	12
<b>Carrying amount</b>	
At 31 December 2020	12
At 31 December 2019	7

Details of all subsidiaries of the Company as at 31 December 2020 are disclosed in note 27.

#### 13 Trade receivables

##### Non-current assets

	2020	2019
	£	£
Amounts due from group undertakings	9,372	9,372

##### Current assets

	2020	2019
	£	£
Trade receivables	197,800	2,184,463
Amounts due from group undertakings	26,873,955	6,102,597
Prepayments	5,899	6,412
Other receivables	1	-
Intercompany - group relief receivable	39,880	-
	<u>27,117,535</u>	<u>8,293,472</u>

Included in amounts due from group undertakings is an amount of £26,873,955 (2019: £6,102,597) which represents intercompany trading, has no associated interest and is repayable on demand and is intended to be settled within one year.

Included in amounts due from group undertakings is an amount of £9,372 (2019: £9,372) which represents intercompany trading. As at 31 December 2020 the intention is to settle this balance greater than one year. The balance has no associated interest and is repayable on demand.

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

#### 14 Contract assets and liabilities

# World Productions Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 14 Contract assets and liabilities (continued)

	2020 £	2019 £
Contract assets	361,025	163,012
Contract liabilities	<u>(13,714,780)</u>	<u>(2,970,466)</u>

Included in contract liabilities are amounts totalling £13,666,571 (2019: £2,970,466) which relate to deferred income in relation to production funding following the delay to programme deliveries, as a result of the COVID-19 pandemic.

### 15 Loans and Borrowings

	2020 £	2019 £
Bank overdrafts	<u>-</u>	<u>(4,909)</u>

### 16 Trade payables

#### Non current liabilities

	2020 £	2019 £
Other creditors	<u>943,284</u>	<u>-</u>

#### Current liabilities

	2020 £	2019 £
Trade creditors	24,584	7,464
Accrued expenses	453,021	122,275
Amounts due to group undertakings	15,498,312	8,805,191
Other creditors	<u>924,527</u>	<u>670,377</u>
	<u>16,900,444</u>	<u>9,605,307</u>

Included in amounts due to group undertakings are amounts of £13,556,988 (2019: £8,283,882) 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% above base rate per annum.

Included in amounts due to group undertakings is an amount of £1,606,494 (2019: £521,308) which represents intercompany trading, has no associated interest and is repayable on demand.

Included in amounts due to group undertakings is an amount of £334,830 (2019: £Nil) which relate to loans to fellow subsidiaries. This balance is repayable on demand and attracts interest of 0.5% above base rate per annum.

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

## World Productions Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 17 Inventory

	2020	2019
	£	£
Work in progress	213,245	216,618
Acquired programme rights	(24,390)	(167,444)
	<u>188,855</u>	<u>49,174</u>

#### Broadcast programme rights

Acquired programme rights (which include films) and sports rights are purchased for the primary purpose of broadcasting on the ITV family of channels, including VOD and SVOD platforms. These are recognised within current assets the earlier of when payments are made or when the rights are ready for exploitation. The Company generally expenses these rights through operating costs over a number of transmissions reflecting the pattern and value in which the right is consumed.

Commissions, which primarily comprise programmes purchased, based on editorial specification and over which the Group has some control, are recognised in current assets as payments are made and are generally expensed to operating costs in full on first transmission. Where a commission is repeated on any platform, incremental costs associated with the broadcast are included in operating costs.

The net realisable value assessment for acquired and commissioned rights (excluding sports rights) is based on estimated airtime value, with consideration given to whether the number of transmissions purchased can be efficiently played out over the licence period. The net realisable value is assessed on a portfolio basis unless specific indicators of impairment are identified.

The net realisable value assessment for sports rights is based on the estimated airtime value on the transmission date of the sporting event.

As a result of the impact of COVID-19 on the planned sporting schedule for 2020 and 2021 and the consequential impact on TAR, along with changing forecasts of audience mix and revenues for certain sporting events, the Company has recognised an impairment for certain sporting events included in programme rights as well as onerous contract provisions for future commitments. Further details are provided in note [ ].

#### 18 Lease Liabilities

##### Lease liabilities

Lease liabilities represent the discounted future lease payments. Discount rates are calculated for similar assets, in similar economic environments, taking into account the length of the lease. The unwinding of the discounting is recognised in finance costs in the Income Statement. The following table outlines the maturity analysis of the lease liabilities:

# World Productions Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 18 Lease Liabilities (continued)

	2020 £	2019 £
Lease liabilities Current	110,328	97,379
Lease liabilities Non Current	<u>59,335</u>	<u>169,664</u>

### Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on discounted gross cash flow is reported in the table below:

	2020 £	2019 £
2 to 5 years	<u>169,663</u>	<u>267,043</u>

	1 January 2020 £	Net cash flow £	Currency and non-cash movements £	31 December 2020 £
Lease liabilities	(267,043)	104,156	(6,776)	(169,663)
<b>Total Lease liabilities</b>	<b>(267,043)</b>	<b>104,156</b>	<b>(6,776)</b>	<b>(169,663)</b>

The following amounts have been included in the income statement

	2020 £	2019 £
Interest expense on lease liabilities	6,776	9,918
Operating cost relating to short term leases and low value assets		-
<b>Amounts recognised in the income statement</b>	<b>6,776</b>	<b>9,918</b>

## World Productions Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020

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#### Share-based payment

##### Scheme description

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.

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.

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.

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 Trust is accounted for as a separate entity and therefore is only accounted for in the consolidated financial statements.

The weighted average share price of share options exercised during the year was 87.47 pence (2019: 129.82 pence) (excluding nil priced share options). The options outstanding at the year end have an exercise price in the range of nil to 206.83 pence (2019: nil to 206.83 pence) and a weighted average contractual life of two years (2019: one year) for all the schemes in place for the Group.

# World Productions Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 20 Share capital

Allotted, called up and fully paid

	No.	2020 £	No.	2019 £
Ordinary "A" Shares of £1 each	107,777	107,777	107,777	107,777
Ordinary "B" Shares of £1 each	9,372	9,372	9,372	9,372
	<u>117,149</u>	<u>117,149</u>	<u>117,149</u>	<u>117,149</u>

### Rights, preferences and restrictions

All shares rank pari passu

### 21 Contingent liabilities

Under a Group registration the Company is jointly and severally liable for VAT at 31 December 2020 of £124 million (2019: £40 million).

### 22 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 £91,815 (2018: £75,974).

### 23 Related party transactions

	2020 £	2019 £
Balance due to ITV Studios Limited	<u>(372,087)</u>	<u>(76,873)</u>

The balances represent Management Support Services with ITV Studios Limited

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

	2020 £	2019 £
Trade payables balance due to/from ITV Services Limited	3,775,526	166,381
Loan balance due from ITV Services Limited	9,372	9,372
	<u>3,784,898</u>	<u>175,753</u>

The loan balance is at a standard rate of 0.5% above base rate.

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

## World Productions Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 23 Related party transactions (continued)

	2020	2019
	£	£
Balance due to ITV plc	(13,556,988)	(8,283,882)

The above balances relate to the ITV intra group cash pool. The balances attract an interest of 0.25% above base rate (2018: 0.25% above base rate).

#### 24 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.

#### 25 Parent and ultimate parent undertaking

The Company's immediate parent is ITV Studios 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.

#### 26 Subsequent events

On 3 March 2021, the UK Government announced a change in the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The rate change was substantively enacted on 24 May 2021 and therefore is not reflected in the deferred tax assets or liabilities as at 31 December 2020. The impact on deferred tax assets and liabilities is not expected to be material.

#### 27 Investments

Details of the subsidiaries as at 31 December 2020 are as follows:

## World Productions Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 27 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
WP Faslane Limited	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%
WP Save Me 2 Limited	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%
WP Anne Limited	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%
WP Bodyguard Limited	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%
WP LOD5 Limited	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%
World Productions (Northern Ireland) Limited	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%
WP LOD6 Limited	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%
WP Pembrokeshire Limited	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%
WP Karen Pirie Limited	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%
WP Diplomat Limited	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%
WP Showtrial Limited	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%
WP (NEWCO 7) Limited	2 Waterhouse Square, 140 Holborn, London EC1N 2AE	Ordinary	UK	100%