

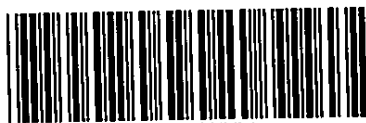
Registration number 2852812

Cosgrove Hall Films Limited

Unaudited Financial Statements

for the Year Ended 31 December 2014

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Cosgrove Hall Films Limited

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Cosgrove Hall Films Limited
Directors' Report for the Year Ended 31 December 2014

The directors present their report and the unaudited financial statements for the year ended 31 December 2014

Principal activity

The principal activity of Cosgrove Hall Films Limited (the "Company") was the production of animated films for television for UK broadcasters. On 26 October 2009, the directors took the decision to cease trading as a result of continuing losses and increasing difficulties within children's programming.

Directors of the company

The directors who held office during the year and up to the date of this report were as follows

John Whiston
Maxine Gardner

Certain directors benefit from third party qualifying indemnity provisions in place during the financial year and at the date of this report

Results

The results for the Company show a loss for the period of £91,000 (2013: loss of £93,000). At the balance sheet date the Company had net liabilities of £1,750,000 (2013: net liabilities £1,659,000).

Dividends

The directors recommend a final dividend payment of £nil be made in respect of the financial year ended 31 December 2014 (2013: £nil).

Going concern

In preparing the financial statements of Cosgrove Hall Films Limited, the directors have made an assessment of the next 12 months performance from signing, and consider preparation on a going concern basis to be appropriate (see note 1).

Audit Exemption

Cosgrove Hall Films Limited, as a guaranteed subsidiary of ITV plc, has met the criteria set out in ss 479A-479C of the Companies Act 2006, and is claiming exemption from the audit of their individual accounts afforded by those sections for the year ended 31 December 2014.

Small company provisions statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 29/01/2015 and signed on its behalf by



Maxine Gardner
Director

Registered office The London Television Centre
Upper Ground
London
SE1 9LT

Cosgrove Hall Films 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 results 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are generally responsible 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.

Cosgrove Hall Films Limited
Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £ 000	2013 £ 000
Administrative expenses		<u>(91)</u>	<u>(93)</u>
Operating loss		<u>(91)</u>	<u>(93)</u>
Loss on ordinary activities before taxation		(91)	(93)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
Loss for the financial year	8	<u><u>(91)</u></u>	<u><u>(93)</u></u>

The operating loss derive wholly from continuing operations

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

A note on historical cost, profits and losses has not been included as part of these financial statements since the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis

Cosgrove Hall Films Limited
(Registration number: 2852812)
Balance Sheet as at 31 December 2014

	Note	2014 £ 000	2013 £ 000
Current assets			
Debtors	5	325	317
Creditors Amounts falling due within one year	6	<u>(2 075)</u>	<u>(1,976)</u>
Net liabilities		<u>(1,750)</u>	<u>(1,659)</u>
Capital and reserves			
Called up share capital	7	1	1
Share premium reserve	8	299	299
Other reserves	8	8,296	8,296
Profit and loss account	8	<u>(10,346)</u>	<u>(10,255)</u>
Shareholders' deficit	9	<u>(1,750)</u>	<u>(1,659)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006

For the year ending 31 December 2014 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Approved by the Board on 29/09/2015 and signed on its behalf by



Maxine Gardner
Director

Cosgrove Hall Films Limited

Notes

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

Exemption from preparing a cash flow statement

The Company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group

Going Concern

The Company does not have a bank account. Cash receipts and payments are accounted for on the Company's behalf by fellow subsidiaries and are reflected in the movement in amounts owed to/from group undertakings.

The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the following reason. The Company is dependent for its working capital on funds provided to it by ITV plc, the Company's ultimate parent company. ITV plc has indicated that for at least 12 months from the date of approval of these financial statements it will continue to make available such funds as are needed by the Company and, in particular, will not seek repayment of the amounts currently made available.

On this basis, and on their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue in existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Deferred tax assets are recognised to the extent that it is more likely than not that the asset will be recovered.

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Pensions

The Company is a member of the Group's defined benefit scheme. The scheme's assets are held in separate trustee administered funds. Contributions are based on pension costs across the Group as a whole.

The Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis. Therefore, as permitted by FRS 17 'Retirement benefits', these schemes are accounted for as if they were defined contribution schemes. The unfunded pension scheme is accounted for as a defined benefit pension scheme in accordance with FRS 17.

Cosgrove Hall Films Limited

Notes

Share-based payments

During the year the Company received a share-based payment charge from its ultimate parent company, ITV plc. The Company has dealt with this in accordance with FRS 20 'Share based payment' and UITF 44 'Group and Treasury Share Transactions'.

The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimate of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account.

2 Particulars of employees

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

	2014 No.	2013 No.
Administration and support	1	1

The aggregate payroll costs were as follows:

	2014 £ 000	2013 £ 000
Wages and salaries	39	25
Social security costs	3	2
Other pension schemes	-	5
	42	32

Included within wages and salaries are amounts of £41,900 (2013: £nil) which have been recharged by another group company during the year.

Not included within other pension costs are amounts of £56,795 (2013: £50,132) in respect of defined benefit pension scheme deficit funding payments made during the year.

3 Directors' remuneration

The Directors were remunerated by other ITV plc Group companies. The Directors received no remuneration in respect of their services to the Company.

Cosgrove Hall Films Limited

Notes

4 Taxation

Tax on loss on ordinary activities

	2014 £ 000	2013 £ 000
Current tax		
UK Corporation tax	-	-
Total current tax	-	-

Factors affecting current tax charge for the year

The tax credit on loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK (2013 - lower than the standard rate of corporation tax in the UK) of 21.5% (2013 - 23.25%)

The differences are reconciled below

	2014 £ 000	2013 £ 000
Loss on ordinary activities before tax	(91)	(93)
Corporation tax at standard rate	(19)	(22)
Permanent differences and group relief	19	22
Total current tax	-	-

Factors that may affect future tax charges

The corporation tax rate of 21.5% reflects the reduction in the rate from 23% to 21% effective from 1 April 2014

The Finance Act 2013, which provides for a reduction in the main rate of corporation tax from 21% to 20% effective from 1 April 2015, was substantively enacted on 17 July 2013

5 Debtors

	2014 £ 000	2013 £ 000
Amounts owed by group undertakings	325	317

6 Creditors: Amounts falling due within one year

	2014 £ 000	2013 £ 000
Amounts owed to group undertakings	2,075	1,973
Other creditors	-	3
	2,075	1,976

Cosgrove Hall Films Limited
Notes

7 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
25,000 'A' Ordinary Shares of 1p each	250	250
75,000 'B' Ordinary Shares of 1p each	750	750
	<u>1,000</u>	<u>1,000</u>
All A and B shares rank pari passu		

8 Reserves

	Share premium account £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2014	299	8,296	(10,255)	(1,660)
Loss for the year	<u>-</u>	<u>-</u>	<u>(91)</u>	<u>(91)</u>
At 31 December 2014	<u>299</u>	<u>8,296</u>	<u>(10,346)</u>	<u>(1,751)</u>

9 Reconciliation of movement in shareholders' funds

	2014 £ 000	2013 £ 000
Loss attributable to the members of the company	<u>(91)</u>	<u>(93)</u>
Shareholders' deficit at 1 January	<u>(1,659)</u>	<u>(1,566)</u>
Shareholders' deficit at 31 December	<u>(1,750)</u>	<u>(1,659)</u>

Cosgrove Hall Films Limited Notes

10 Pension schemes

Defined benefit scheme

The Company is a participating member of the ITV defined benefit pension scheme. The scheme's assets are held in separate trustee administered funds. Contributions are based on pension costs across the group as a whole.

The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, as permitted by FRS 17 'Retirement benefits' the Company has accounted for contributions to the scheme as if it were a defined contribution scheme.

The Group's main scheme consists of three sections, A, B and C. Full actuarial valuations are carried out every three years. The latest actuarial valuations of the three sections were carried out as at 1 January 2011 with a funding deficit standing at £587 million. The next triennial valuation will be as at 1 January 2014, and is expected to be agreed in 2015.

As a result of the latest valuation a 15 year funding plan has been agreed for the main section (Section A) to repay its pension deficit. As in previous years it is a mixture of fixed and performance related contributions. The current contribution plan remains in place until the end of 2014 and then there is a gradual increase in the fixed contribution from £48 million to £50 million for the period from 2015 to 2019. From 2020 to 2025 the fixed contribution remains at £50 million. Any performance related contributions are payable in addition to these amounts. If the performance related elements of the main section pay out, the funding period reduces to ten years.

For Sections B and C, the Group will continue to make contributions of £5.5 million per annum in order to eliminate the deficits of these sections by 31 March 2021. The latest actuarial valuations have been updated for FRS 17 purposes to 31 December 2014 by a qualified independent actuary.

The Company's normal contribution for the year was £Nil (2013: £5,178). In addition to normal funding the Group made further contributions of £91 million in 2014 (2013: £80 million) as disclosed in the ITV plc financial statements. The levels of contributions are based on the current service costs and the expected future cash flows of the defined benefit scheme.

At 31 December 2014 the scheme had an FRS 17 deficit of £346 million (2013: £445 million).

Particulars of the actuarial valuations of the group schemes are contained in the financial statements of ITV plc which can be obtained from the address given in note 14.

	2014 %	2013 %
<i>Major assumptions</i>		
Discount rate for scheme liabilities	3.70	4.60
Rate of pensionable salary increases	0.90	0.90
Rate of increase in pension payment (LPI 5% pension increases)	2.90	3.25
Rate of increase to deferred pensions (CPI)	2.35	2.35
Inflation	3.05	3.40

Cosgrove Hall Films Limited

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11 Share-based payments

Annual incentives are provided for the Senior Executive Group through the ITV Annual Bonus Scheme (Bonus). The performance conditions that apply are set on an individual basis and are closely linked to the Company's corporate, financial and strategic priorities. A bonus arrangement extends to all ITV employees, providing a comprehensive and fully integrated incentive framework which rewards all employees when ITV is successful.

The movements in the number of share options during the year were as follows

	2014 Number ('000)	2013 Number ('000)
Outstanding at 1 January	203	326
Granted during the year - nil priced	1	2
Granted during the year - other	1	3
Forfeited during the year	(4)	(23)
Exercised during the year	(84)	(102)
Expired during the year	(3)	(3)
Outstanding at 31 December	114	203
Exercisable at 31 December	2	3

The movements in the weighted average exercise price of share options during the year were as follows

	2014 £	2013 £
Outstanding at 1 January	14.52	11.06
Granted during the year - nil priced	0.00	0.00
Granted during the year - other	162.86	126.97
Forfeited during the year	28.67	7.69
Exercised during the year	9.02	5.97
Expired during the year	12.94	51.51
Outstanding at 31 December	32.97	14.52
Exercisable at 31 December	14.47	0.00

For those options exercised in the year, the average share price during 2014 was £1.98 (2013 - £1.50)

Range of exercise prices (pence)	Weighted average exercise price (pence)	Number of options ('000)	2014 Weighted average remaining contractual life (years)	Weighted average exercise price (pence)	Number of options ('000)	2013 Weighted average remaining contractual life (years)
Nil	-	81	1.75	-	134	1.88
20.0 - 49.99	35.61	2	0.53	31.09	9	1.29
50.00 - 69.99	67.37	11	1.11	67.38	16	2.11
70.00 - 99.99	73.58	1	1.90	73.58	5	1.31
100.00 - 109.99	102.59	4	2.16	102.59	6	3.16
110.00 - 119.99	-	-	-	-	-	-
120.00 - 149.99	131.44	3	2.52	131.44	34	3.20
150.00 - 199.99	163.72	13	2.80	-	-	-

Cosgrove Hall Films Limited Notes

Short term and deferred incentives

Annual incentives are provided for the Senior Executive Group through the ITV Annual Bonus Scheme (Bonus). The performance conditions that apply are set on an individual basis and are closely linked to the Company's corporate, financial and strategic priorities. A bonus arrangement extends to all ITV employees, providing a comprehensive and fully integrated incentive framework which rewards all employees when ITV is successful.

Long term incentive plans

LTIP awards made in 2014

The LTIP was approved by ITV plc shareholders at the AGM in May 2014. On 30 May 2014 awards were made under the LTIP to the Senior Executive Group in the form of nil-cost options, subject to performance over the period to 31 December 2016. 50% of any shares that vest can be exercised from the vesting date, the remaining 50% will be subject to a one-year holding period.

The Group's Remuneration Committee sets targets for the LTIP taking into account external forecasts, internal budgets, business priorities, and risks and uncertainties. Targets are set to be appropriately stretching in this context, with maximum performance set at a level which is considered to be the delivery of exceptional performance.

The awards made in 2014 are subject to performance measures and targets as set out below. Awards will be subject to an initial cumulative adjusted EPS performance gateway equal to that required for threshold performance (37.1p) before any portion of the award can vest.

Performance measure	Strategic Report	Weightings	Threshold	Maximum
Cumulative adjusted EPS	1	50%	37.1p	42.3p
Family SOV	2	20%	23.05%	23.51%
Total non-NAR growth	3.40	10%	5% growth pa	10% growth pa
International Production revenue	4	10%	5% growth pa	15% growth pa
Online, Pay & Interactive revenue	3	10%	5% growth pa	18% growth pa

Threshold vesting for all targets is 20%. Vesting between threshold and maximum is on a straight-line basis.

When assessing performance against the Family SOV target, the Group's Remuneration Committee will also have regard to the health of the main ITV channel.

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Assumptions relating to grants of share options during 2014 and 2013

Scheme name	Date of grant	Share price at grant (pence)	Exercise price (pence)	Expected volatility	Expected life (years)	Gross dividend yield %	Risk free rate %	Fair value (pence)
LTIP								
ITV - three year	01-May-14	183 50	-	*	3 00	*	*	183 50

Save as you Earn

ITV - three year	05-Apr-13	121 00	102 59	36 00%	3 25	2 89%	0 31%	31 40
ITV - five year	05-Apr-13	121 00	102 59	49 00%	5 25	2 89%	0 72%	46 08
ITV - three year	10-Sept-13	183 40	131 44	34 00%	3 25	1 91%	1 04%	62 85
ITV - five year	10-Sept-13	183 40	131 44	47 00%	5 25	1 91%	1 80%	84 32
ITV - three year	03-Apr-14	195 50	159 68	32 00%	3 25	2 15%	1 27%	53 78
ITV - five year	03-Apr-14	195 50	159 68	38 00%	5 25	2 15%	1 94%	70 41
ITV - three year	10-Sept-14	212 40	165 33	29 00%	3 25	1 98%	1 30%	61 14
ITV - five year	10-Sept-14	212 40	165 33	34 00%	5 25	1 98%	1 81%	74 29

Performance Share Plan

ITV - three year	01-Mar-13	123 40	-	*	3 00	*	*	123 40
ITV - three year	28-Mar-13	129 40	-	*	3 00	*	*	129 40

* Awards do not include market based performance conditions therefore, Monte-Carlo or Black-Scholes model not required to calculate fair value

The Black-Scholes model is used to value the Save As You Earn Schemes as these do not have any market performance conditions The ITV SAYE scheme is an Inland Revenue Approved SAYE scheme

Share-based compensation charges totalled £2,830 in 2014 (2013 £5,305)

12 Contingent liabilities

Under a group registration, the Company is jointly and severally liable for VAT at 31 December 2014 The amount guaranteed is £58,000,000 (2013 - £51,000,000)

13 Related party transactions

The Company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group

14 Control

The Company is controlled by ITV Studios Limited The ultimate controlling party is ITV plc At 31 December 2014 the Company's immediate parent company was ITV Studios Limited, a company registered in England and Wales and the Company's ultimate parent company was ITV plc, a company registered in England and Wales

The largest and smallest group in which the results of the Company were consolidated was that headed by ITV plc The consolidated accounts of ITV plc are available to the public and may be obtained from www.itvplc.com or the Company Secretary, The London Television Centre, Upper Ground, SE1 9LT