Registration number: 4042168

3sixtymedia Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015

3sixtymedia Limited

Contents

3sixtymedia Limited

Strategic Report for the Year Ended 31 December 2015

The Directors present their strategic report for the year ended 31 December 2015.

Principal activity
The principal activity of 3sixtymedia Limited ("the Company") continues to be the provision of production and post production facilities.

Fair review of the business
The results for 3sixtymedia Limited show a loss for the period of £1,419,000 (2014: loss of £56,000) and sales of £7,668,000 (2014: £7,419,000). At the balance sheet date the Company had net assets of £4,098,000 (2014: net assets of £5,542,000).

Developments during the year
During the year the Company adopted Financial Reporting Standard 101 (FRS 101) - Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard. The Company's ultimate parent undertaking, ITV plc was notified of and did not object to the use of the reduced disclosure framework in preparation of these accounts.

Key performance indicators

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

	Unit	2015	2014
Net Margin	%	-19	-1
Overheads	£	3,393,000	2,002,000
EBITDA	£	1,258,734	102,000

Future developments
A strategic review was undertaken in the second half of 2015 following a recent downturn in the financial results. 3sixtymedia also had to prepare for the end of the three-year deal with dock10 for the provision of studio facilities for the core productions.

During the preparation ITV Studios indicated that productions would source their own crew directly for Manchester based programmes and that ITV Studios wanted to deal directly with dock10 for the provision of studio facilities.

3sixtymedia do not supply studio crew to any other areas and attempting to move into a new market was not viable. The Company proposed that it should withdraw from crewing services and consult with staff and unions. It was likely that such a proposal would result in roles becoming redundant within 3sixtymedia but some of this would be mitigated by finding suitable alternative employment as ITV Studios wanted to set up its own crewing operation.

The review also highlighted that the Post Production business wasn't viable in its existing form. The management team have reorganised the business by simplifying workflows, reducing overheads and accessing efficiencies to strengthen 3Sixtymedia's position.

The Company is a participating employer in both ITV and BBC defined benefit schemes. There is a risk that the Company may cease to be a participating employer in one or both schemes in the future due to staff leaving and as a result the Company may incur additional pension liabilities. However, the staffing levels are stable and the numbers are not currently low enough to cause immediate concern.

Principal risks and uncertainties

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

While trying to reduce overhead 3sixtymedia has handed back under utilised space to ITV. This means that it is harder to flex up additional or temporary space at periods of peak demand. 3sixtymedia will continue to review space usage, capacity and availability during 2016.

Revenues from ITV Studios represent 97% of total budgeted sales. This risk is mitigated by implementing greater flexibility in the cost base and by working closely with our production partners to ensure all opportunities are recognised and fulfilled.

Health and safety

Responsibility for health and safety across the Company is vested at Management Board level. Proactive communications between management, staff and Union safety representatives have been maintained.

The Company continues to prioritise risk management in order to minimise and ideally prevent any accidents and injuries. In 2015 there were no reported incidents under the Health and Safety Executive's RIDDOR Regulations (2014: nil). There were no reported health and safety incidents in 2015, compared with one incident in the previous year. This is mainly a reflection on the proactive approach applied to health and safety within the workplace, as part of a wider accident prevention regime.

Management hold monthly group meetings in which employees have direct access to senior management to raise questions and keep updated.

Employee involvement

Employee Engagement

The Company have a proactive approach in assessing engagement and the way in which we measure engagement has naturally evolved over the years. Employee engagement surveys cover various themes across the business and give an indication of how the business is performing year on year. Results are measured and discussed at a local level so that engagement plans are drawn up.

'ITV ambassadors' is a new initiative, which plays an important role in engaging in conversations with employees across the business. We provide a regular forum for this to be fed back to senior management and encourage employees to ask questions and voice any concerns.

Management hold monthly group meetings in which employees have direct access to senior management to raise questions and keep updated.

Employee Development

The Company is committed to developing staff. The Company offers a fantastic range of development opportunities ranging from lunch and learn sessions and in depth workshops, technical training, mentoring, access all areas shadowing and various levels of management development.

3sixtymedia Limited

Strategic Report for the Year Ended 31 December 2015

Equal opportunities
The Company is proud to be an equal opportunities employer and encourage diversity throughout the business. The Company works closely with other broadcasters, leading businesses and equal opportunity organisations to share information and promote best practice.

Our policies embrace the principles of equal opportunity and our commitment to ensure that no member of staff or job applicant will be treated less favourably in which conflicts with the Equality Act Law which recognises 9 protected Characteristics: Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy & Maternity, Race, Religion & Belief, Sex and sexual Orientation, also including parental status within the above grouping.

Equal Opportunities shall apply in all conditions of work including pay, hours of work, holiday entitlement, sick pay, maternity/ paternity entitlement, pensions, recruitment, selection, training, promotion, shift work, redundancy and work allocation.

Approved by the Board on 30/9/16 and signed on its behalf by:

Sarah Woodward
....
Sarah Woodward
Director

3sixtymedia Limited

Directors' Report for the Year Ended 31 December 2015

The Directors present their report and the financial statements for the year ended 31 December 2015.

Directors of the Company
The directors who held office during the year were as follows:

Paul Bennett

Sarah Woodward

Peter Hall

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 2015 (2014: £nil).

Going concern
The Directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least twelve months from the date of this report. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements (see note1).

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.

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

Approved by the Board on 30/9/16 and signed on its behalf by:

Sarah Woodward

Sarah Woodward
Director

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

3sixtymedia Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, 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 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 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 3sixtymediaLimited

We have audited the financial statements of 3sixtymedia Limited for the year ended 31 December 2015, set out on pages 8 to 27. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report To The Members Of 3sixtymediaLimited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

....

Mark Summerfield (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date: 30|9|16

3sixtymedia Limited

Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Turnover	2	7,668	7,419
Cost of sales		(5,757)	(5,514)
Gross profit		1,911	1,905
Administrative expenses		(3,393)	(2,002)
Operating loss		(1,482)	(97)
Other interest receivable and similar income	4	82	84
Loss before tax		(1,400)	(13)
Tax on loss on ordinary activities	8	(19)	(43)
Loss for the year		(1,419)	(56)

The above results were derived from continuing operations.

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

3sixtymedia Limited

(Registration number: 4042168)
Balance Sheet as at 31 December 2015

	Note	2015 £ 000	2014 £ 000
Non-current assets			
Intangible assets	10	20	9
Property, plant and equipment	9	558	640
Deferred tax assets	8	211	255
		789	904
Current assets			
Inventory	11	265	-
Trade and other receivables (Including £nil (2014:£nil) due over one year)	12	66,726	59,120
		66,991	59,120
Current liabilities			
Trade and other payables	13	(63,357)	(54,157)
Current tax liability	8	(325)	(325)
Current liabilities		(63,682)	(54,482)
Net current assets		3,309	4,638
Net assets		4,098	5,542
Capital and reserves			
Share capital	14	2	2
Share premium reserve		9,965	9,965
Retained earnings		(5,869)	(4,425)
		4,098	5,542

Approved by the Board on 30/9/16 and signed on its behalf by:

Sarah Woodward

Sarah Woodward

Director

3sixtymedia Limited

Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital	Share premium	Retained earnings	Total
	£'000	£'000	£'000	£'000
As at 1 January 2015	2	9,965	(4,425)	5,542
Profit / (loss) for the year	-	-	(1,419)	(1,419)
Tax on items taken directly to equity	-	-	(25)	(25)
As at 31 December 2015	2	9,965	(5,869)	4,098

	Share capital	Share premium	Retained earnings	Total
	£'000	£'000	£'000	£'000
As at 1 January 2014	2	9,965	(4,352)	5,615
Remeasurement losses on transition to FRS 101	-	-	(111)	(111)
Remeasurement on tax	-	-	22	22
Tax on items taken directly to equity			61	61
Restated at 1 January 2014	2	9,965	(4,380)	5,587
Loss for the year	-	-	(56)	(56)
Tax on items taken directly to equity	-	-	11	11
As at 31 December 2014	2	9,965	(4,425)	5,542

3sixtymedia Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

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
The Company transitioned from UK GAAP to Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) for all periods presented. The Company's transition date is 1 January 2014.

There were no material amendments on the adoption of FRS 101 other than those mentioned in note 21.

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 and on a 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;
• An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy, (see note 1);
• Disclosures in respect of the compensation of Key Management Personnel; and
• Disclosures of transactions with a management entity that provides key management personnel services to the Company.

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;
• Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company [in the current and prior periods including the comparative period reconciliation for goodwill; 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.

1 Accounting policies (continued)

Going Concern

The Company does not have a bank account and therefore 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 Company is dependent on its immediate parent undertaking for its funding. The Directors of the Company have no reason to believe that this financial support will not be forthcoming in the event that it is required. On this basis, and on their assessment of the Company's financial position, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least twelve months from the date of this report. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

Amounts due (to) / from group undertakings

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

Turnover

Turnover, which arises wholly in the United Kingdom, represents the invoiced amounts for services provided during the year and is stated net of value added tax. Turnover is recognised when the services are provided.

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 profit and loss account.

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

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

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

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 amount of assets, liabilities, income and expenses. Actual results may differ from the 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.

1 Accounting policies (continued)

Tax

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

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

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

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

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

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

Property, plant and equipment

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

Depreciation

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

Asset class	**Depreciation policy**
Vehicles, equipment and fittings	3 - 8 years

Intangible assets

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

1 Accounting policies (continued)

Amortisation

Amortisation is charged to the profit and loss account 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

Trade receivables

Trade receivables are recognised initially at the value of the invoice sent to the customer and subsequently at the amounts considered recoverable (amortised cost). Where payments are not due for more than one year, they are shown in the financial statements at their net present value to reflect the economic cost of delayed payment. The Company provides goods and services to substantially all its customers on credit terms. Estimates are used in determining the level of receivables that will not, in the opinion of the Directors, be collected. These estimates include such factors as historical experience, the current state of the UK and overseas economies and industry specific factors. A provision for impairment of trade receivables is established when there is sufficient evidence that the Company will not be able to collect all amounts due.

Trade payables

Trade payables are recognised at the value of the invoice received from a supplier.

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 scheme

Obligations under the Company's defined contribution schemes are recognised as an operating cost in the profit and loss account as incurred.

Defined benefit pension scheme

The Company's obligation in respect of the Scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value and the fair value of scheme assets is then deducted. The discount rate used is the yield at the valuation date on high quality corporate bonds of a similar duration to the timing of the future expected benefit payments.

The liabilities of the Scheme are measured by discounting the best estimate of future cash flows to be paid using the projected unit method. This method is an accrued benefits valuation method that makes allowance for projected earnings. These calculations are performed by a qualified actuary.

Actuarial gains and losses are recognised in full in the period in which they arise through the statement of comprehensive income.

In addition the Company contributes to the BBC pension scheme. Details of this scheme can be found in the financial statements of the BBC Pensions Scheme, which can be obtained from the BBC pension trust Limited, Broadcasting House, London, WA1 1AA.

3sixtymedia Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 Accounting policies (continued)

Share-based payments
For each of the Company's share-based compensation schemes, the fair value of the equity instrument granted is measured at grant date and spread over the vesting period via a charge to the profit and loss account 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 profit and loss account, with a corresponding adjustment to equity. Exercises of share options granted to employees can be satisfied by market purchase or issue of new shares. No new shares may be issued to satisfy exercises under the terms of the DSA. During the year all exercises were satisfied by using shares purchased in the market and held in the ITV Employees' Benefit Trust. These relate to the ultimate parent's shares and the Company accounts for these as cash settled. As there is a formal recharge agreement in place an intercompany balance is recognised for the control of share based payments.

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

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

2 Turnover

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

	2015 £ 000	2014 £ 000
Provision of equipment, facilities and services for use in television production	7,668	7,419

3 Operating loss

Arrived at after charging/(crediting)

	2015 £ 000	2014 £ 000
Depreciation expense	213	173
Amortisation expense	9	27
Foreign exchange gains/(losses)	1	(3)
Operating lease expense - property	1,127	1,158
Loss on disposal of property, plant and equipment	-	1

4 Other interest receivable and similar income

	2015 £ 000	2014 £ 000
Other finance income	82	84

5 Auditors' remuneration

The auditor's remuneration of £500 (2014: £500) was borne by another group Company.

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

6 Staff costs

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

	2015 £ 000	2014 £ 000
Wages and salaries	2,862	3,050
Social security costs	249	265
Pension costs, defined contribution scheme	151	145
Pension costs, defined benefit scheme	153	153
Share-based payment expenses	223	-
	3,638	3,613

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

6 Staff costs (continued)

	2015 No.	2014 No.
Administration and support	17	16
Other departments	36	42
	53	58

7 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 (2014: £nil).

8 Current tax

Tax charged/(credited) in the profit and loss account:

	2015 £ 000	2014 £ 000
Current taxation		
UK corporation tax	-	-
	-	-
Total current income tax	-	-
Deferred taxation		
Arising from origination and reversal of temporary differences	19	43
Tax expense in the profit and loss account	19	43

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2014 - lower than the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.5%).

The differences are reconciled below:

	2015 £ 000	2014 £ 000
Loss before tax	(1,400)	(13)
Corporation tax at standard rate of 20.25% (2014 : 21.5%)	(283)	(3)
Effect of expense not deductible in determining taxable profit (tax loss)	(15)	(9)
Deferred tax expense (credit) relating to changes in tax rates or laws	21	4
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	(23)	12
Permanent differences and group relief	319	39
Total tax charge	19	43

8 Current tax (continued)

The corporation tax rate of 20.25% reflects the reduction in the rate from 21% to 20% effective from 1 April 2015.

The Finance Act 2015, which provides for a reduction in the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020, was substantively enacted on 26 October 2015. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

Deferred tax
Deferred tax assets and liabilities

2015	Asset £ 000
Accelerated tax depreciation	146
Accruals	-
Share-based payment	65
Other items	-
	211

2014	Asset £ 000
Accelerated tax depreciation	177
Accruals	7
Share-based payment	94
Other items	(23)
	255

Deferred tax movement during the year:

	At 1 January 2015 £ 000	Recognised in income £ 000	Recognised in equity £ 000	At 31 December 2015 £ 000
Accelerated tax depreciation	177	(31)	-	146
Accruals	7	(7)	-	-
Share-based payment	94	(4)	(25)	65
Other items	(23)	23	-	-
Net tax assets/(liabilities)	255	(19)	(25)	211

Deferred tax movement during the prior year:

8 Current tax (continued)

	At 1 January 2014 £ 000	Recognised in income £ 000	Recognised in equity £ 000	At 31 December 2014 £ 000
Accelerated tax depreciation	204	(27)	-	177
Accruals	7	-	-	7
Share-based payment	87	(4)	11	94
Other items	(11)	(12)	-	(23)
Net tax assets/(liabilities)	287	(43)	11	255

9 Property, plant and equipment

	Vehicles, equipment and fittings £ 000 Restated
Cost or valuation	
At 1 January 2015	12,867
Additions	131
At 31 December 2015	12,998
Depreciation	
At 1 January 2015	12,227
Charge for the year	213
At 31 December 2015	12,440
Carrying amount	
At 31 December 2015	558
At 31 December 2014	640

10 Intangible assets

	Software licences and development £ 000 Restated
Cost	
At 1 January 2015	79
Additions	20
At 31 December 2015	99
Amortisation	
At 1 January 2015	70
Amortisation charge	9
At 31 December 2015	79
Carrying amount	
At 31 December 2015	20
At 31 December 2014	9

11 Inventories

	2015 £ 000	2014 £ 000
Work in progress	265	-

12 Trade and other receivables

	2015 £ 000	2014 £ 000
Trade receivables	12	19
Amounts due from group undertakings	66,658	58,989
Accrued income	-	3
Prepayments	56	109
Total current trade and other receivables	66,726	59,120

Amounts due from group undertakings represent intercompany trading, attract no interest and are repayable on demand.

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

13 Trade and other payables

	2015 £ 000	2014 £ 000
Trade payables	327	208
Accrued expenses and deferred income	1,473	1,339
Amounts due to group undertakings	61,557	52,610
	63,357	54,157

Amounts due to group undertakings represent intercompany trading, attract no interest and are repayable on demand.

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

14 Share capital

	No. 000	2015 £ 000	No. 000	2014 £ 000
Allotted, called up and fully paid				
'A' ordinary of £1 each	1	1	1	1
'B' ordinary of £1 each	1	1	1	1
	2	2	2	2

The rights attaching to the holders of A ordinary and B ordinary shares are as follows:

All sums distributed by the Company for or in any financial period are to be apportioned amongst the A and B shareholders in proportion to the number of shares held. All A and B shares to rank pari passu.

On a return of capital on liquidation or otherwise, the surplus assets of the Company after payment of liabilities will be distributed in proportion to the numbers of A and B shares held. All A and B shares to rank pari passu.

In the event of a sale of the whole of the issued share capital, the proceeds are to be apportioned in proportion to the number of shares owned. All A and B shares to rank pari passu.

On a show of hands every A Ordinary shareholder has one vote, and on a poll every A shareholder has one vote for every share held. Although entitled to receive notice of and attend general meetings of the Company, a holder of B shares will not be entitled to vote in respect of those shares.

15 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 £150,909 (2014 - £145,098).

15 Pension and other schemes (continued)

Defined benefit pension schemes

The Company is a participating employer of the ITV Group Pension. ITV Services Limited is the Principal employer of the Scheme. The full disclosure relating to the ITV Group Pension scheme is publicly available in the Annual Report of ITV plc as well as the publicly available financial statements of ITV Services Limited.

Total contributions recognised in the profit and loss account in relation to the defined benefit scheme during 2015 were £153,105 (2014: £152,399).

Included within the total contributions recognised in the profit and loss account in relation to defined contribution schemes of £150,909 (2014: £145,098) is a contribution of £29,897 (2014: £27,305) that has been made to the BBC pension scheme. Details of this scheme can be found in the financial statements of the BBC Pensions Scheme, which can be obtained from BBC Pension Trust Limited, Broadcasting house, London WA1 1AA.

16 Share-based payments

Scheme description

The Company utilises share award schemes as part of it 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 (LTP) and Save As You Earn (SAYE) schemes.

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

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

Vesting conditions are limited to service conditions and performance conditions. For performance-based schemes, the relevant performance measures are projected to the end of the performance period in order to determine the number of options expected to vest. The estimate is then used to determine the option fair value, discounted to present value. The Company revises its estimates of the number of options that are expected to vest, including an estimate of forfeitures at each reporting date. The impact of the revision to original estimates, if any are recognised in the profit and loss account, 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 the exercises under the terms of the DSA. During the year all exercises were satisfied by using shares purchased in the market and held in the ITV Employees' Benefit Trust.

The weighted average share price of share options exercised during the year was 16.65p (2014: 9.02p). The options outstanding at the year end have an exercise price in the range of nil to 206.83p and a weighted average contractual life of 1 year (2014: 1 year).

Share-based compensation charges totalled £222,790 in 2015 (2014: £nil).

17 Contingent liabilities

Under a Group registration the Company is jointly and severally liable for the VAT at 31 December 2015 of £59 million (2014: £58 million). The Company has guaranteed certain finance and operating lease obligations of subsidiary undertakings.

18 Related party transactions

Summary of transactions with subsidiaries
During the year the Company made the following related party transactions:

ITV Studios Limited is treated as a related party because it is the immediate parent undertaking of the Company.

Sales of £7,489,000 (2014: £7,085,000)
Recharges of £7,660,000 (2014: £nil)
Purchase of Services £4,141,,000 (2014: £1,695,000)
Interest payment of £82,000 (2014: £84,000)
At the balance sheet date the amount due to ITV Studios Limited was £55,303,081 (2014: £8,006,434)

ITV Broadcasting Limited is treated as a related party because it is a fellow subsidiary of ITV plc.

During the year services of £4,899 (2014: £34,047) were made.
At the balance sheet date the amount due to from ITV Broadcasting Limited was £531,169 (2014: £530,972).

ITV Services Limited is a related party because it is a fellow subsidiary of ITV plc.

During the year services of £3,525,000 were provided (2014: £6,407,081).
At the balance sheet date the amount due to ITV Services was £51,407,385 (2014: £44,715,805).

Carlton Communications Limited is treated as a related party because it is a fellow subsidiary of ITV plc.

During the year services of £nil (2014: £7,495,225) were provided.
At the balance sheet date the amount due from Carlton Communications Limited was £nil (2014: £57,989,261).

Summary of transactions with other related parties
During the year the Company made the following other related party transactions.

The British Broadcasting Corporation is treated as a related party because it owns 20% of the class A ordinary shares of the Company. This represents a 10% holding of the total share capital.

Sales during the year of £23,000 (2014: £10,000)
At the balance sheet date the amount due to the British Broadcasting Corporation was £nil (2014: £nil).

19 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 The London Television Centre, Upper Ground, London, SE1 9LT.

20 Parent and ultimate parent undertaking

The Company's immediate parent is ITV Studios Limited.

The ultimate parent is ITV plc.

The most senior parent entity producing publicly available financial statements is ITV plc. These financial statements are available upon request from The London Television Centre, Upper Ground, London, SE1 9LT.

The ultimate controlling party is ITV plc.

21 Transition to FRS 101

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101. Accordingly, the Company has prepared financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the Company in restating its balance sheet as at 1 January 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended 31 December 2014.

On transition to FRS 101, the Company has applied the requirements of IFRS 1 First time adoption of International Financial Reporting Standards.

21 Transition to FRS 101 (continued)

Balance sheet at 1 January 2014

	Note	As originally reported £ 000	Reclassification £ 000	FRS 101 remeasurement £ 000	As restated £ 000
Non-current assets					
Intangible assets		-	-	35	35
Property, plant and equipment		520	-	(35)	485
Deferred Tax		-	204	83	287
		520	204	83	807
Current assets					
Trade and other receivables		52,083	(204)	(135)	51,744
Current liabilities		(46,988)	-	24	(46,964)
Net current assets/(liabilities)		5,095	(204)	(111)	4,780
Net assets/(liabilities)		5,615	-	(28)	5,587
Capital and reserves					
Share capital		2	-	-	2
Share premium		9,965	-	-	9,965
Retained earnings		(4,352)	-	(28)	(4,380)
Total equity		5,615	-	(28)	5,587

The adjustment to intangible fixed assets for £35k is for reclassification of software from property, plant and equipment to intangible Assets under FRS101.

The adjustment for £135k to trade and other receivables relates to amounts owed by group undertakings not previously recognised.

The adjustment for £57k relates to the requirement to reflect provision amounts relating to the unfunded element of the Group defined benefit pension scheme in a single entity under FRS101.
This remeasurement reflects the transfer back to the Group company holding the defined benefit pension provisions of cost allocations made during 2013 and 2014.

The adjustment of £33k relates to staff holiday entitlement not utilised and not paid which needs to be recognised as a liability under FRS101.

There is a relassification of deferred taxation on transition to FRS101 from current assets to non-current assets. The amount reclassed is £204,000.

The remeasurement gain of £83k for deferred tax relates to deferred tax on holiday pay accruals and under FRS 101, deferred tax is recognised on temporary differences between the estimated future tax deductions for share based compensation and the related cumulative share based compensation expense to the extent that the estimated future tax deductions exceed the cumulative expense, the excess deferred tax is recognised directly in equity.

3sixtymedia Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

21 Transition to FRS 101 (continued)

Balance sheet at 31 December 2014

	Note	As originally reported £ 000	Reclassification £ 000	FRS 101 remeasurement £ 000	As restated £ 000
Non-current assets					
Intangible assets		-	-	9	9
Property, plant and equipment		649	-	(9)	640
Deferred Taxation		-	177	78	255
		649	177	78	904
Current assets					
Trade and other receivables		59,432	(177)	(135)	59,120
Current liabilities		(54,563)	-	81	(54,482)
Net current assets/(liabilities)		4,869	(177)	(54)	4,638
Net assets/(liabilities)		5,518	-	24	5,542
Capital and reserves					
Share capital		2	-	-	2
Share premium		9,965	-	-	9,965
Retained earnings		(4,449)	-	24	(4,425)
Total equity		5,518	-	24	5,542

The adjustment to intangible fixed assets for £9k is for reclassification of software from property, plant and equipment to intangible Assets under FRS101.

The adjustment for £135k to trade and other receivables relates to amounts owed by group undertakings not previously recognised.

The adjustment for £114k to current liabilities relates to the requirement to reflect provision amounts relating to the unfunded element of the Group defined benefit pension scheme in a single entity under FRS101.
This remeasurement reflects the transfer back to the Group company holding the defined benefit pension provisions of cost allocations made during 2013 and 2014.

The adjustment of £33k to current liabilities relates to staff holiday entitlement not utilised and not paid which needs to be recognised as a liability under FRS101.

There is a relassification of deferred taxation on transition to FRS101 from current assets to non-current assets. The amount reclassed is £177,000.

The remeasurement gain of £78k for deferred tax relates to deferred tax on holiday pay accruals and under FRS 101, deferred tax is recognised on temporary differences between the estimated future tax deductions for share based compensation and the related cumulative share based compensation expense to the extent that the estimated future tax deductions exceed the cumulative expense, the excess deferred tax is recognised directly in equity.

21 Transition to FRS 101 (continued)

Profit and loss account for the year ended 31 December 2014

	Note	As originally reported £ 000	FRS 101 remeasurement £ 000	As restated £ 000
Turnover		7,419	-	7,419
Cost of sales		(5,514)	-	(5,514)
Gross profit/(loss)		1,905	-	1,905
Administrative expenses		(2,059)	57	(2,002)
Operating profit/(loss)		(154)	57	(97)
Other interest receivable and similar income		84	-	84
Profit/(loss) before tax		(70)	57	(13)
Tax on profit on ordinary activities		(27)	(16)	(43)
Profit/(loss) for the financial year		(97)	41	(56)

The adjustment of £57k relates to the requirement to reflect provision amounts relating to the unfunded element of the Group defined benefit pension scheme in a single entity under FRS101.

The remeasurement gain of £16k for deferred tax relates to deferred tax on holiday pay accruals and under FRS 101, deferred tax is recognised on temporary differences between the estimated future tax deductions for share based compensation and the related cumulative share based compensation expense to the extent that the estimated future tax deductions exceed the cumulative expense, the excess deferred tax is recognised directly in equity.