

Registration number: 4195187

12 Yard Productions (Investments) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015



12 Yard Productions (Investments) Limited

Contents

Strategic Report	1 to 2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report To The Members Of 12 Yard Productions (Investments) Limited	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 27

12 Yard Productions (Investments) 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 12 Yard Productions (Investments) Limited continues to that of the production of game shows, reality and factual entertainment shows.

The Company operates mainly in the UK and derives revenue from the following sources: production revenues, distribution revenues, format revenues and other revenues (including music publishing and merchandising).

Fair review of the business

The results for the Company show a profit for the year of £221,841 (2014: £1,153,068). At the balance sheet date the Company had net assets of £9,513,116 (2014: £9,290,607).

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

Turnover down on prior year: -26% (2014/2013 +14%)

Turnover reduction is driven by fewer episodes commissioned of Coach Trip for Channel 4 and In it to Win it for BBC1 plus lost commissions Gift Wrapped (ITV) and Pressure Pad (BBC).

Future developments

The key objective for the Company is to create and own returnable and internationally exploitable entertainment formats. Key actions to help meet these challenging targets are:

- Focus on returnable entertainment formats that can be produced in high volume for the UK
- Focus on entertainment formats which can be sold internationally both as changed format and as finished programming
- Focus on maximising off-air revenues through merchandising and licensing of entertainment properties

12 Yard Productions (Investments) Limited

Strategic Report for the Year Ended 31 December 2015

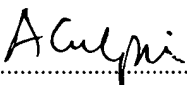
Principal risks and uncertainties

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

- Continuing pressure on budgets from Broadcasters. In order to mitigate this risk the Company looks to maximise its scale and expertise in formatted entertainment to amortise costs across our productions. As all formats have international potential we also look to grow revenues from foreign sales.
- Increased competition for international markets for formatted entertainment. In order to mitigate this risk the Company takes comfort from the excellent relationships it has with UK broadcasters. Success in the UK of our formats gives us a much greater chance of international success than many of our rivals.

A comprehensive strategic review of the Company's strategy, outlining the development, performance and position of the Company's business can be found in the Strategic Report of the group in the ITV plc Annual Report. The Annual Report of ITV plc is available to the public and may be obtained from www.itvplc.com or the Company Secretary, The London Television Centre, Upper Ground, SE1 9LT.

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


.....
Andrew Culpin
Director

12 Yard Productions (Investments) 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:

Andrew Culpin

David McGraynor

Denise O'Donoghue (resigned 1 March 2016)

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 note 1).


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:



Andrew Culpin
Director

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

12 Yard Productions (Investments) 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 12 Yard Productions (Investments) Limited

We have audited the financial statements of 12 Yard Productions (Investments) Limited for the year ended 31 December 2015, set out on pages 7 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 4), 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 profit 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 12 Yard Productions (Investments) Limited

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 September 2016

12 Yard Productions (Investments) Limited

Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	2	13,254,283	17,863,277
Cost of sales		<u>(10,706,496)</u>	<u>(14,462,395)</u>
Gross profit		2,547,787	3,400,882
Administrative expenses		<u>(2,795,927)</u>	<u>(2,538,153)</u>
Operating (loss)/profit		<u>(248,140)</u>	<u>862,729</u>
Other interest receivable and similar income	4	465,105	1,111,800
Interest payable and similar charges	5	<u>(186)</u>	<u>(817,263)</u>
		<u>464,919</u>	<u>294,537</u>
Profit before tax		216,779	1,157,266
Tax on ordinary activities	9	<u>5,062</u>	<u>(4,198)</u>
Profit for the year		<u><u>221,841</u></u>	<u><u>1,153,068</u></u>

The above results were derived from continuing operations.

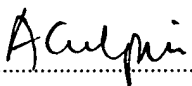
The Company has no recognised gains or losses for the year other than the above.

12 Yard Productions (Investments) Limited

(Registration number: 4195187)
Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
Non-current assets			
Investments	12	3,138,464	3,138,464
Deferred tax assets	9	6,967	1,237
		<u>3,145,431</u>	<u>3,139,701</u>
Current assets			
Inventory	13	2,820,139	1,981,329
Trade and other receivables	14	12,394,271	16,047,980
Cash and cash equivalents		29,818	22,430
		<u>15,244,228</u>	<u>18,051,739</u>
Current liabilities			
Trade and other payables	15	(8,876,543)	(11,900,833)
Net current assets		<u>6,367,685</u>	<u>6,150,906</u>
Net assets		<u>9,513,116</u>	<u>9,290,607</u>
Capital and reserves			
Called up share capital	16	1	1
Profit and loss account		<u>9,513,115</u>	<u>9,290,606</u>
		<u>9,513,116</u>	<u>9,290,607</u>

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



Andrew Culpin

Director

The notes on pages 10 to 27 form an integral part of these financial statements.

12 Yard Productions (Investments) Limited

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

	Share capital	Profit and loss account	Total
	£	£	£
As at 1 January 2015	1	9,290,606	9,290,607
Profit for the year	-	221,841	221,841
Tax on items taken directly to equity		668	668
As at 31 December 2015	1	9,513,115	9,513,116

	Share capital	Profit and loss account	Total
	£	£	£
As at 1 January 2014	1	8,135,383	8,135,384
Remeasurement of holiday pay accrual		(13,797)	(13,797)
Remeasurement of defined benefit pension deficit funding		16,543	16,543
Remeasurement of tax		(591)	(591)
Restated at 1 January 2014	1	8,137,538	8,137,539
Profit for the year	-	1,153,068	1,153,068
As at 31 December 2014	1	9,290,606	9,290,607

Remeasurement of £13,797 relates to the recognition of 2013 holiday pay accrual with FRS 101 which is not recognised in UK GAAP.

Remeasurement of £16,543 relates to defined benefit pension deficit funding costs being recharged to ITV Services Limited on transition to FRS 101.

12 Yard Productions (Investments) 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 old 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 23

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;
- 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 adopt the reduced disclosure framework of FRS 101 in its next financial statements.

12 Yard Productions (Investments) Limited

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

1 Accounting policies (continued)

Going concern - cash pool

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

Amounts due (to) / from group undertakings

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

Exemption from preparing group accounts

The financial statements contain information about 12 Yard Productions (Investments) 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 Studios Limited, a company incorporated in United Kingdom.

Turnover

Turnover represents amounts receivable in respect of the production of television programmes and the exploitation of rights during the year, excluding Value Added Tax. Turnover is recognised upon delivery of the programme. Key classes of turnover are recognised on the following basis:

Programme production: On delivery of episode and acceptance by the customer

Programme rights: When rights are contracted and available for exploitation

12 Yard Productions (Investments) Limited

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

1 Accounting policies (continued)

Foreign currency transactions and balances

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

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

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.

12 Yard Productions (Investments) Limited

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

1 Accounting policies (continued)

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 - 4 years

Investments

The Company's balance sheet includes investments at cost less amounts written off in respect of any impairment.

Cash and cash equivalents

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

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.

12 Yard Productions (Investments) Limited

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

1 Accounting policies (continued)

Inventories

Inventories and work-in-progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. net realisable value is based on estimated selling price less all further costs to completion and all relevant selling and distribution costs.

Trade payables

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

Leases

Finance leases are those which transfer substantially all the risks and the ownership to the lessee. Assets held under such leases are capitalised as tangible fixed assets and depreciation is provided where appropriate. Outstanding finance lease obligations, which comprise principal plus accrued interest, are included within creditors. The finance element of the agreement is charged to profit and loss account over the term of the lease on a systematic basis.

All other leases are operating leases. The rentals on such leases are charged to the profit and loss account on a straight line basis over the term lease.

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.

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.

12 Yard Productions (Investments) Limited

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

1 Accounting policies (continued)

Short-term benefits

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

Termination benefits

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

2 Turnover

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

	2015 £	2014 £
Sale of programmes	13,254,283	17,863,277

3 Operating profit

Arrived at after charging/(crediting)

	2015 £	2014 £
Foreign exchange gains	(11,545)	(13,494)
Operating lease expense - property	<u>228,783</u>	<u>137,939</u>

4 Other interest receivable and similar income

	2015 £	2014 £
Interest income on bank deposits	-	28
Other finance income	<u>465,105</u>	<u>1,111,772</u>
	<u>465,105</u>	<u>1,111,800</u>

5 Interest payable and similar charges

	2015 £	2014 £
Interest on bank overdrafts and borrowings	29	-
Other finance costs	<u>157</u>	<u>817,263</u>
	<u>186</u>	<u>817,263</u>

12 Yard Productions (Investments) Limited

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

6 Auditor's 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.

7 Staff costs

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

	2015 £	2014 £
Wages and salaries	3,325,954	4,148,621
Social security costs	276,884	367,892
Pension costs, defined contribution scheme	191,605	168,559
Pension costs, defined benefit scheme	3,046	-
Share-based payment expenses	18,560	67,938
	<u>3,816,049</u>	<u>4,753,010</u>

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

	2015 No.	2014 No.
Production	23	24

8 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration	<u>300,750</u>	<u>296,272</u>

In respect of the highest paid director:

	2015 £	2014 £
Remuneration	<u>300,750</u>	<u>296,272</u>

12 Yard Productions (Investments) Limited

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

9 Current tax

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

	2015 £	2014 £
Current taxation		
UK corporation tax	-	-
	-	-
Total current income tax	-	-
Deferred taxation		
Arising from origination and reversal of temporary differences	(5,062)	4,198
Tax (receipt)/expense in the profit and loss account	(5,062)	4,198

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 £	2014 £
Profit before tax	216,779	1,157,266
Corporation tax at standard rate of 20.25% (2014 : 21.5%)	43,898	248,812
Effect of expense not deductible in determining taxable profit	10,630	15,131
Deferred tax expense (credit) relating to changes in tax rates or laws	(1,021)	(4,793)
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	(7,205)	3,855
Group relief claimed	(51,364)	(258,807)
Total tax (credit)/charge	(5,062)	4,198

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.

12 Yard Productions (Investments) Limited

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

9 Current tax (continued)

Deferred tax

Deferred tax movement during the year:

	At 1 January 2015 £	Recognised in income £	Recognised in equity £	At 31 December 2015 £
Accelerated tax depreciation	5,129	(1,189)	-	3,940
Share-based payment	554	1,805	668	3,027
Accruals	2,759	(2,759)	-	-
Other items	(7,205)	7,205	-	-
Net tax assets/(liabilities)	<u>1,237</u>	<u>5,062</u>	<u>668</u>	<u>6,967</u>

Deferred tax movement during the prior year:

	At 1 January 2014 £	Recognised in income £	At 31 December 2014 £
Accelerated tax depreciation	6,026	(897)	5,129
Share-based payment	-	554	554
Accruals	2,759	-	2,759
Other items	(3,350)	(3,855)	(7,205)
Net tax assets/(liabilities)	<u>5,435</u>	<u>(4,198)</u>	<u>1,237</u>

12 Yard Productions (Investments) Limited

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

10 Property, plant and equipment

	Vehicles, equipment and fittings £	Total £
Cost or valuation		
At 1 January 2015	<u>13,671</u>	<u>13,671</u>
At 31 December 2015	<u>13,671</u>	<u>13,671</u>
Depreciation		
At 1 January 2015	<u>13,671</u>	<u>13,671</u>
At 31 December 2015	<u>13,671</u>	<u>13,671</u>
Carrying amount		
At 31 December 2015	<u>-</u>	<u>-</u>

11 Intangible assets

	Software licences and development £	Total £
Cost		
At 1 January 2015	<u>25,185</u>	<u>25,185</u>
At 31 December 2015	<u>25,185</u>	<u>25,185</u>
Amortisation		
At 1 January 2015	<u>25,185</u>	<u>25,185</u>
At 31 December 2015	<u>25,185</u>	<u>25,185</u>
Carrying amount		
At 31 December 2015	<u>-</u>	<u>-</u>

12 Yard Productions (Investments) Limited

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

12 Investments

Subsidiaries	£
Cost or valuation	
At 1 January 2014	3,138,464
At 31 December 2014	3,138,464
At 1 January 2015	3,138,464
At 31 December 2015	3,138,464
Carrying amount	
At 31 December 2015	3,138,464
At 31 December 2014	3,138,464

Details of all subsidiaries of the Company as at 31 December 2015 are included in note 24.

13 Inventories

	2015 £	2014 £
Work in progress	2,820,139	1,981,329

14 Trade and other receivables

	2015 £	2014 £
Trade receivables	120,528	42,000
Amounts due from group undertakings	11,703,021	15,384,746
Accrued income	549,092	599,607
Other receivables	21,630	21,627
Total current trade and other receivables	12,394,271	16,047,980

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

Included in amounts due from group undertakings are amounts of £8,323,786 (2014: £12,666,273) which relate to balances associated with the ITV plc group treasury pooling arrangements. This balance is repayable on demand and attracted interest of 5% above base rate per annum up to April 2015 and 3% above base rate per annum from April 2015. The remaining balance of £3,379,235 (2014: £2,718,473) represents inter-company trading and does not attract interest and is repayable on demand.

12 Yard Productions (Investments) Limited

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

15 Trade and other payables

	2015	2014
	£	£
Trade payables	77,538	134,222
Accrued expenses and deferred income	1,103,785	2,582,508
Amounts due to group undertakings	6,935,926	6,711,231
Other payables	759,294	2,472,872
	<u>8,876,543</u>	<u>11,900,833</u>

Included in amounts due to group undertakings of £6,935,926 (2014: £6,711,231) are amounts of £6,935,926 (2014: £6,711,231) which attract no interest and are repayable on demand.

16 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary A of £0.00 each	100,000	1	100,000	1
Ordinary B of £0.00 each	8,696	-	8,696	-
	<u>108,696</u>	<u>1</u>	<u>108,696</u>	<u>1</u>

17 Loans and borrowings

	2015	2014
	£	£
Non-current loans and borrowings		
	2015	2014
	£	£
Current loans and borrowings		
Bank overdrafts	2,652	-
Other borrowings	(2,652)	-
	<u>-</u>	<u>-</u>

18 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 £191,605 (2014 - £168,559).

12 Yard Productions (Investments) Limited

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

18 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 £3,046 (2014 £Nil)

19 Share-based payments

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 (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).

20 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.

12 Yard Productions (Investments) Limited

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

21 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.

22 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.

23 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.

12 Yard Productions (Investments) Limited

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

23 Transition to FRS 101 (continued)

Balance sheet at 1 January 2014

Note	As originally reported £	FRS 101 remeasurement £	As restated £
Non-current assets			
Investments	3,138,464	-	3,138,464
Deferred tax asset	6,026	(591)	5,435
	<u>3,144,490</u>	<u>(591)</u>	<u>3,143,899</u>
Current assets			
Inventory	3,060,271	-	3,060,271
Trade and other receivables	41,030,157	-	41,030,157
Cash and cash equivalents	11,357	-	11,357
	<u>44,101,785</u>	<u>-</u>	<u>44,101,785</u>
Current liabilities			
Trade and other payables	(39,110,891)	2,746	(39,108,145)
Net current assets	<u>4,990,894</u>	<u>2,746</u>	<u>4,993,640</u>
Net assets	<u>8,135,384</u>	<u>2,155</u>	<u>8,137,539</u>
Capital and reserves			
Share capital	1	-	1
Profit and loss account	<u>8,135,383</u>	<u>2,155</u>	<u>8,137,538</u>
Total equity	<u>8,135,384</u>	<u>2,155</u>	<u>8,137,539</u>

Remeasurement of £13,797 relates to the recognition of 2013 holiday pay accrual with FRS 101 which is not recognised in UK GAAP.

Remeasurement of £16,543 relates to defined benefit pension deficit funding costs being recharged to ITV Services Limited on transition to FRS 101.

The remeasurement of £591 relates to deferred tax assets recognised on holiday pay accrual, transitional adjustments re pension costs 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 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.

12 Yard Productions (Investments) Limited

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

23 Transition to FRS 101 (continued)

Balance sheet at 31 December 2014

Note	As originally reported £	FRS 101 remeasurement £	As restated £
Non-current assets			
Investments	3,138,464	-	3,138,464
Deferred tax asset	5,129	(3,892)	1,237
	<u>3,143,593</u>	<u>(3,892)</u>	<u>3,139,701</u>
Current assets			
Inventory	1,981,329	-	1,981,329
Trade and other receivables	16,047,980	-	16,047,980
Cash and cash equivalents	22,430	-	22,430
	<u>18,051,739</u>	<u>-</u>	<u>18,051,739</u>
Current liabilities			
Trade and other payables	(11,922,618)	21,785	(11,900,833)
Net current assets	<u>6,129,121</u>	<u>21,785</u>	<u>6,150,906</u>
Net assets	<u>9,272,714</u>	<u>17,893</u>	<u>9,290,607</u>
Capital and reserves			
Share capital	1	-	1
Profit and loss account	<u>9,272,713</u>	<u>17,893</u>	<u>9,290,606</u>
Total equity	<u>9,272,714</u>	<u>17,893</u>	<u>9,290,607</u>

Remeasurement of £13,797 relates to the recognition of 2013 holiday pay accrual with FRS 101 which is not recognised in UK GAAP.

Remeasurement of £35,582 relates to defined benefit pension deficit funding costs being recharged to ITV Services Limited on transition to FRS 101.

The remeasurement of £3,892 relates to deferred tax assets recognised on holiday pay accrual, transitional adjustment re pension costs 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 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.

12 Yard Productions (Investments) Limited

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

23 Transition to FRS 101 (continued)

Profit and loss account for the year ended 31 December 2014

	Note	As originally reported £	FRS 101 remeasurement £	As restated £
Turnover		17,863,277	-	17,863,277
Cost of sales		<u>(14,462,395)</u>	-	<u>(14,462,395)</u>
Gross profit		3,400,882	-	3,400,882
Administrative expenses		<u>(2,557,192)</u>	19,039	<u>(2,538,153)</u>
Operating profit		<u>843,690</u>	19,039	<u>862,729</u>
Other interest receivable and similar income		1,111,800	-	1,111,800
Interest payable and similar charges		<u>(817,263)</u>	-	<u>(817,263)</u>
		<u>294,537</u>	-	<u>294,537</u>
Profit before tax		1,138,227	19,039	1,157,266
Tax on ordinary activities		<u>(897)</u>	<u>(3,301)</u>	<u>(4,198)</u>
Profit for the financial year		<u><u>1,137,330</u></u>	<u><u>15,738</u></u>	<u><u>1,153,068</u></u>

Remeasurement of £19,039 relates to defined benefit pension deficit funding costs being recharged to ITV Services Limited on transition to FRS 101.

The remeasurement of £3,301 relates to deferred tax assets recognised on holiday pay accrual, transitional adjustments re pension costs 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 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.

12 Yard Productions (Investments) Limited

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

24 Investments

* Direct Holding

All other entities can be considered to be indirect holdings

Details of the subsidiaries as at 31 December 2015 are as follows:

Please note that the first 4 entities listed represent the principal subsidiary undertakings of 12 Yard Productions (Investments) Limited at 31 December 2015, all of which are wholly owned (directly or indirectly) and incorporated and registered where stated.

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held 2015
12 Yard Limited	Dormant company	England and Wales	100%
12 Yard Productions Limited	Dormant company	England and Wales	100%
12 Yard (North) Productions Limited	Dormant company	England and Wales	100%
12 Yard Holdings Inc	Television Production	United States of America	100%