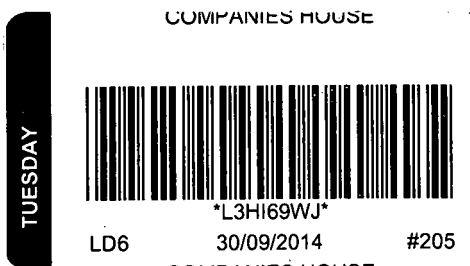


Registration number: 4195187

12 Yard Productions (Investments) Limited

Financial Statements

for the Year Ended 31 December 2013



12 Yard Productions (Investments) Limited
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12 Yard Productions (Investments) Limited
Company Information

Directors	Andrew Culpin
	David McGraynor
	Denise O'Donoghue
Registered office	The London Television Centre Upper Ground London SE1 9LT
Auditors	KPMG Audit Plc Chartered Accountants 15 Canada Square London E14 5GL

12 Yard Productions (Investments) Limited

Strategic Report for the Year Ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013.

Fair review of the business

The results for the Company show a profit of £764,192 (2012: loss of -£134,093) for the year and sales of £15,629,928 (2012: £12,712,204). At the balance sheet date the company had net assets of £8,135,384 (2012: assets £7,371,192)

Key performance indicators (KPIs)

Revenue changed compared with prior year: 23% (2012/2011: 0%)

Revenue growth of 23% on previous year, due to 3 new commissions including Pressure Pad for BBC1 and Big Star's, Little Star for ITV1. There was also growth in the recommission of a number of series.

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:

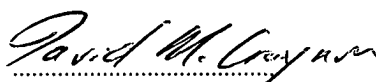
- Focus on returnable entertainment formats that can be produced in high volume for the UK
- Focus on entertainment formats which can be sold internationally both as changed format and as finished programming
- Focus on maximising off-air revenues through merchandising and licensing of entertainment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

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.

Approved by the Board on ~~29/01/2014~~ and signed on its behalf by:



David McGraynor
Director

12 Yard Productions (Investments) Limited
Directors' Report for the Year Ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Directors of the company

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

Andrew Culpin

David McGraynor

Denise O'Donoghue

Principal activity

The principal activity of 12 Yard Productions (Investments) Limited, 'the Company', is to produce game shows and 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).

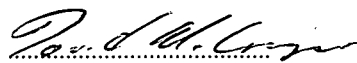
Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditor

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

Approved by the Board on ~~29/03/2014~~ 29/03/2014 and signed on its behalf by:



David McGraynor
Director

12 Yard Productions (Investments) Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the 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 are generally responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

12 Yard Productions (Investments) Limited

Independent Auditor's Report

We have audited the financial statements of 12 Yard Productions (Investments) Limited for the year ended 31 December 2013, set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

12 Yard Productions (Investments) Limited
Independent Auditor's Report



Mark Summerfield (Senior Statutory Auditor)
For and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 29/9/14

12 Yard Productions (Investments) Limited
Profit and Loss Account for the Year Ended 31 December 2013

	Note	2013 £	2012 £
Turnover		15,629,928	12,712,204
Cost of sales		<u>(12,773,690)</u>	<u>(9,987,149)</u>
Gross profit		2,856,238	2,725,055
Administrative expenses		<u>(2,520,467)</u>	<u>(3,162,994)</u>
Operating profit/(loss)	2	335,771	(437,939)
Other interest receivable and similar income	5	1,264,804	311,800
Interest payable and similar charges	6	<u>(834,243)</u>	<u>(264)</u>
Profit/(loss) on ordinary activities before taxation		766,332	(126,403)
Tax on profit/(loss) on ordinary activities	7	<u>(2,140)</u>	<u>(7,690)</u>
Profit/(loss) for the financial year	14	<u><u>764,192</u></u>	<u><u>(134,093)</u></u>

Turnover and operating profit derive wholly from continuing operations.

A statement of total recognised gains and losses had not been included as part of these financial statements as the Company made no gains or losses in the year other than those disclosed above in the profit and loss account

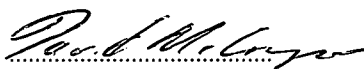
A note on historical cost profits and losses has not been included as part of these financial statements since the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis.

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

12 Yard Productions (Investments) Limited
(Registration number: 4195187)
Balance Sheet as at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Investments	9	3,138,464	3,138,464
Current assets			
Stocks	10	3,060,271	3,086,712
Debtors	11	41,036,183	23,704,288
Cash at bank and in hand		<u>11,357</u>	<u>5,961</u>
		44,107,811	26,796,961
Creditors: Amounts falling due within one year	12	<u>(39,110,891)</u>	<u>(22,564,233)</u>
Net current assets		<u>4,996,920</u>	<u>4,232,728</u>
Net assets		<u><u>8,135,384</u></u>	<u><u>7,371,192</u></u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	14	<u>8,135,383</u>	<u>7,371,191</u>
Shareholders' funds	15	<u><u>8,135,384</u></u>	<u><u>7,371,192</u></u>

Approved by the Board on ~~29/01/2014~~ 29/01/2014 and signed on its behalf by:



David McGraynor
Director

12 Yard Productions (Investments) Limited

Notes

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Exemption from preparing a cash flow statement

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

Exemption from preparing group accounts

The company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 and has not prepared group accounts.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business review section of the Directors' report on pages 2 to 3.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. As such, the Company is dependent for its working capital on funds provided to it by ITV plc, the Company's ultimate parent company. ITV plc has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. As at the date of approval of these financial statements, 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 Company's directors have a reasonable expectation that the Company will be able to continue in existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

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. Revenue is recognised upon delivery of the programme. Key classes of revenue are recognised on the following basis:

Programme production: On Delivery

Programme rights: When rights are contracted and available for exploitation

Depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	3 to 4 years
Computer Equipment	3 to 4 years

12 Yard Productions (Investments) Limited

Notes

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Stock

Project development and programme costs, carried forward under work in progress, are valued at the lower of cost and net realisable value.

Taxation

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

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

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

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Pensions

The Company is a member of the Group's defined contribution pension scheme. Company contributions are charged to the profit and loss account as incurred.

2 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2013	2012
	£	£
Depreciation of owned assets	<u>-</u>	<u>6,643</u>

12 Yard Productions (Investments) Limited

Notes

3 Particulars of employees

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

	2013	2012
	No.	No.
Other departments	24	24

The aggregate payroll costs were as follows:

	2013	2012
	£	£
Wages and salaries	3,473,620	3,203,001
Social security costs	296,770	260,271
Other pension schemes	139,531	158,999
	<u>3,909,921</u>	<u>3,622,271</u>

Amounts of £2,565,305 (2012:£2,487,369) contained in wages and salaries have been recharged to another Group company in the year

4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2013	2012
	£	£
Remuneration	255,541	232,570
Contributions paid to money purchase schemes	-	19,000
	<u>255,541</u>	<u>251,570</u>

In respect of the highest paid director:

	2013	2012
	£	£
Benefits under long-term incentive schemes (excluding shares)	255,541	232,570
Company contributions to money purchase pension schemes	-	19,000
	<u>-</u>	<u>19,000</u>

5 Other interest receivable and similar income

	2013	2012
	£	£
Interest receivable from group undertakings	<u>1,264,804</u>	<u>311,800</u>

12 Yard Productions (Investments) Limited
Notes

6 Interest payable and similar charges

	2013	2012
	£	£
Interest on loans from group undertakings	834,123	-
Other interest payable	<u>120</u>	<u>264</u>
	<u><u>834,243</u></u>	<u><u>264</u></u>

12 Yard Productions (Investments) Limited **Notes**

7 Taxation

Tax on profit/(loss) on ordinary activities

	2013	2012
	£	£
Deferred tax		
Origination and reversal of timing differences	1,075	12
Deferred tax adjustment relating to previous years	-	6,967
Effect of changes in tax rates	<u>1,065</u>	<u>711</u>
Total deferred tax	<u><u>2,140</u></u>	<u><u>7,690</u></u>

Factors affecting current tax charge for the year

The tax on profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK (2012 - lower than the standard rate of corporation tax in the UK) of 23.25% (2012 - 24.5%).

The differences are reconciled below:

	2013	2012
	£	£
Profit/(loss) on ordinary activities before tax	<u>766,332</u>	<u>(126,403)</u>
Corporation tax at standard rate	178,172	(30,969)
Capital allowances in excess of depreciation	(1,249)	(13)
Permanent differences and group relief	<u>(176,923)</u>	<u>30,982</u>
Total current tax	<u><u>-</u></u>	<u><u>-</u></u>

Factors that may affect future tax charges

Reductions UK corporation tax rate from 26% to to 24% (effective from 1 April 2012) and to 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's current and future tax charge accordingly.

The deferred tax balance at 31 December 2013 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

12 Yard Productions (Investments) Limited
Notes

8 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 January 2013	31,267	7,590	38,857
At 31 December 2013	31,267	7,590	38,857
Depreciation			
At 1 January 2013	31,267	7,590	38,857
At 31 December 2013	31,267	7,590	38,857
Net book value			
At 31 December 2013	-	-	-
At 31 December 2012	-	-	-

12 Yard Productions (Investments) Limited **Notes**

9 Investments held as fixed assets

	2013 £	2012 £
Shares in group undertakings and participating interests	<u>3,138,464</u>	<u>3,138,464</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £
Cost	
At 1 January 2013	<u>3,138,464</u>
At 31 December 2013	<u>3,138,464</u>
Net book value	
At 31 December 2013	<u>3,138,464</u>
At 31 December 2012	<u>3,138,464</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings				
David Young 12 Yard Productions Limited (Dormant)	England and Wales	Ordinary	100%	Television Production
12 Yard Productions Limited (Dormant)	England and Wales	Ordinary	100%	Television Production
12 Yard (North) Productions Limited (Dormant)	England and Wales	Ordinary	100%	Television Production
12 Yard Holdings Inc	United States of America	Ordinary	100%	Television Production

12 Yard Productions (Investments) Limited
Notes

10 Stocks

	2013	2012
	£	£
Stocks	<u>3,060,271</u>	<u>3,086,712</u>

11 Debtors

	2013	2012
	£	£
Trade debtors	1,061,007	1,646,597
Amounts owed by group undertakings	39,327,598	21,417,064
Other debtors	116,616	-
Deferred tax	6,026	8,166
Prepayments and accrued income	<u>524,936</u>	<u>632,461</u>
	<u>41,036,183</u>	<u>23,704,288</u>

Debtors includes £21,627 (2012 - £21,627) receivable after more than one year.

	2013	2012
	£	£
Trade debtors	<u>21,627</u>	<u>21,627</u>

Deferred tax

The movement in the deferred tax asset in the year is as follows:

	Deferred tax
	£
At 1 January 2013	8,166
Charged to the profit and loss account	<u>(2,140)</u>
At 31 December 2013	<u>6,026</u>

Analysis of deferred tax

	2013	2012
	£	£
Difference between accumulated depreciation and amortisation and capital allowances	<u>6,026</u>	<u>8,166</u>

12 Yard Productions (Investments) Limited

Notes

12 Creditors: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	872,053	270,379
Amounts owed to group undertakings	34,723,088	20,103,899
Other creditors	2,012,791	1,118,329
Accruals and deferred income	1,502,959	1,071,626
	<u>39,110,891</u>	<u>22,564,233</u>

13 Share capital

Allotted, called up and fully paid shares

	No.	2013	No.	2012
		£		£
Ordinary Shares A of £0.00 each	100,000	1.00	100,000	1.00
Ordinary Shares B of £0.00 each	8,696	0.09	8,696	0.09
	<u>108,696</u>	<u>1</u>	<u>108,696</u>	<u>1</u>

On 11 July 2012 the company subdivided and redesignated the shares into 100,000 ordinary shares of £0.00001 each and 8,896 "B" ordinary shares of £0.00001 each.

14 Reserves

	Profit and loss account £	Total £
At 1 January 2013	7,371,191	7,371,191
Profit for the year	<u>764,192</u>	<u>764,192</u>
At 31 December 2013	<u>8,135,383</u>	<u>8,135,383</u>

15 Reconciliation of movement in shareholders' funds

	2013	2012
	£	£
Profit/(loss) attributable to the members of the company	<u>764,192</u>	<u>(134,093)</u>
Shareholders' funds at 1 January	<u>7,371,192</u>	<u>7,505,285</u>
Shareholders' funds at 31 December	<u>8,135,384</u>	<u>7,371,192</u>

12 Yard Productions (Investments) Limited

Notes

16 Pension schemes

Defined contribution scheme

Total contributions recognised in the profit and loss account in relation to defined contribution schemes during 2013 were £110,617 (2012 - £98,852).

17 Contingent liabilities

Under a group registration, the Company is jointly and severally liable for VAT at 31 December 2013. The amount guaranteed is £51,000,000 (2012 - £33,000,000).

In the opinion of the directors, adequate allowance has been made in respect of this matter.

18 Related party transactions

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

19 Control

The company is controlled by ITV Studios Limited. The ultimate controlling party is ITV plc. At 31 December 2013 the company's immediate parent company was ITV Studios Limited, a company registered in England and Wales, and the company's ultimate parent company was ITV plc, a company registered in England and Wales. The largest and smallest group in which the results of the Company were consolidated was that headed by ITV plc. The consolidated accounts of ITV plc are available to the public and may be obtained from www.itvplc.com or the Company Secretary, The London Television Centre, Upper Ground, SE1 9LT.