

ITN

2014

**Annual
Report**





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ACCOUNTS

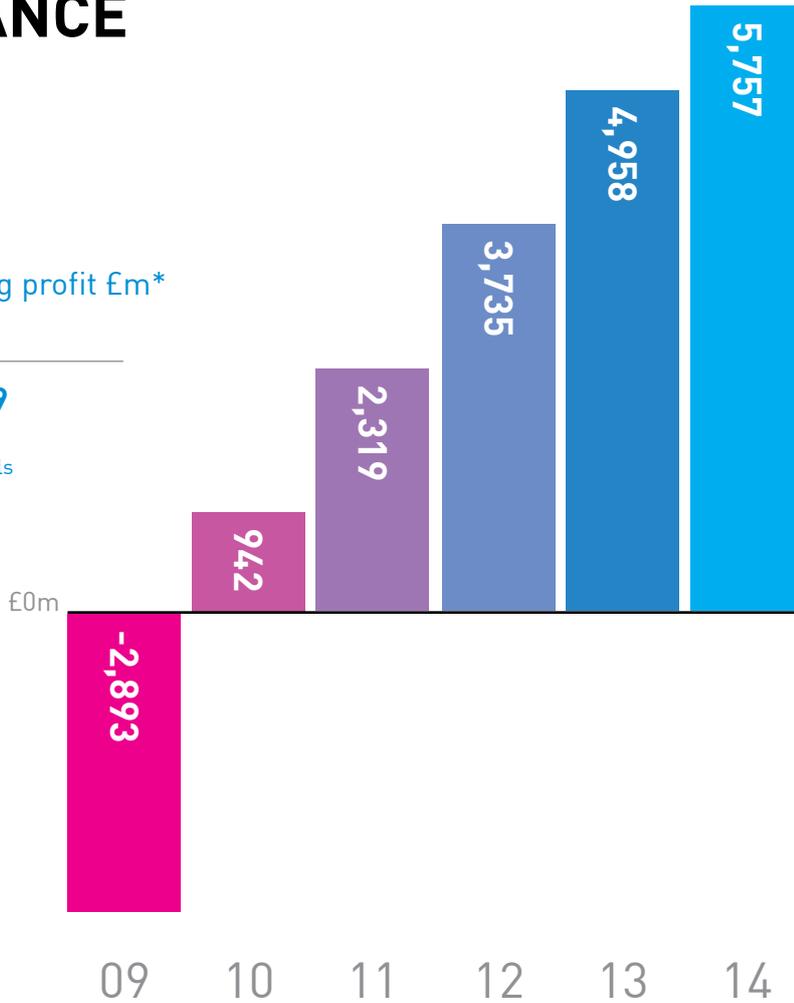
Accounts	43
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AT A GLANCE

Group operating profit £m*
2014: £5.76m

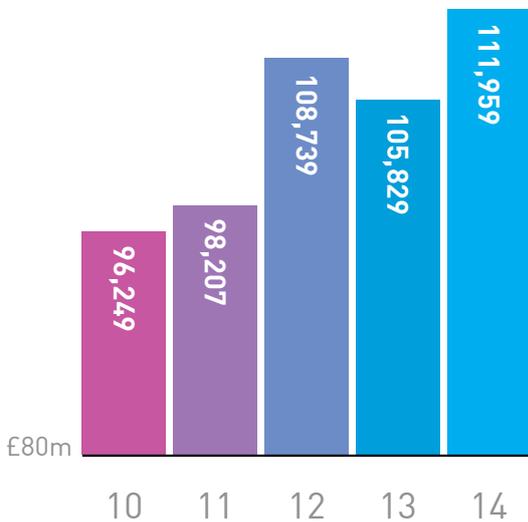
+ 298% on 2009

* Excluding exceptionals



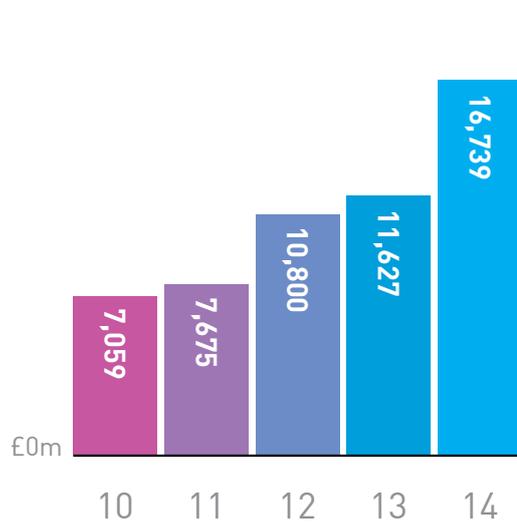
Group revenue £m
2014: £112.0m

+ 16% on 2010



ITN Productions Revenue £m
2014: £16.7m

+ 44% year on year



AT A GLANCE

Major awards won

2014: 46

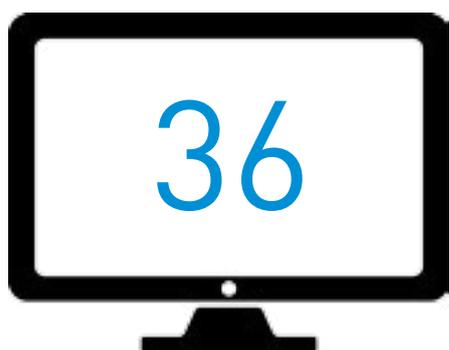
2013: 43



Broadcast television commissions

2014: 36

+ 100% on 2013



Commercials

2014: 37

+ 37% on 2013





OUR BUSINESS



ITV NEWS

ITV News secures the big exclusives, providing balanced reporting and comprehensive analysis from a top team of expert journalists to a daily audience of up to eight million viewers across the UK.

Produced by ITN since its inception in 1955, ITV News airs national news programmes at 1.30pm, 6.30pm and 10pm, informing public opinion and generating debate through news exclusives, investigative journalism and bold, accessible reporting on the latest news agenda.

Daily programmes are anchored by Alastair Stewart and Mary Nightingale at 6.30pm and Mark Austin and Julie Etchingham on News at Ten, from ITN's state-of-the-art Chroma key virtual reality studio in London.

Under the editorship of Geoff Hill, each programme is enhanced by ITV News' range of specialists including Tom Bradby, Rageh Omaar, Penny Marshall, James Mates, Joel Hills, Rohit Kachroo, Rachel Younger, Richard Edgar, John Irvine, and Steve Scott. International bureaux in Johannesburg, Tel Aviv, Washington, Dubai and Beijing ensure that coverage of news at home is reinforced by extensive eye-witness reporting around the world. ITV News London is also produced in the newsroom, providing a regional news operation that continues to innovate to be the authoritative news offering for the capital.

Longer-form current affairs output includes all ITN-produced Tonight programmes, new monthly ITV current affairs strand On Assignment and a number of one-off documentaries and live specials for ITV.

ITV News has won an array of prestigious awards for its journalism, most recently winning five Royal Television Society Journalism Awards, including Programme of the Year for News at Ten, Home News for its Jihadi Terror coverage and International News for its reporting of the Ukraine crisis, as well as retaining the Presenter of the Year crown for Mark Austin for the second year running. It is the first time in recent RTS history that a newsroom has been awarded all four major categories in one year.

Innovative, speedy and using the very latest in cutting-edge livestream technology, itv.com/news is the digital news hub for ITV News viewers. Since its launch in 2012, it has steadily broken stories ahead of the competition and won a spate of industry awards along the way, including the Broadcast Digital award and an Online Media award. Millions of users can also access a live stream of news, multimedia stories, video clips, original content and blogs through the newly-launched ITV News app.





Getting Britain right
365 days a year

CHANNEL 4 NEWS

A news programme like no other, Channel 4 News continues to push new boundaries, challenging expectations with depth, authority and compelling storytelling - all delivered with a distinctive flavour and edge.

Launched by ITN in 1982 as Britain's first hour-long nightly news programme, Channel 4 News is broadcast live at 7pm every weekday, with shorter bulletins at varying times over the weekend.

Veteran broadcaster Jon Snow is joined at the helm by fellow anchors Krishnan Guru-Murthy, Cathy Newman, Matt Frei and Jackie Long. They are supported by a stellar line-up of award-winning journalists including Alex Thomson, Lindsey Hilsum, Kylie Morris, Paul Mason, Siobhan Kennedy, Gary Gibbon and Michael Crick.

Led by editor Ben de Pear, Channel 4 News' high-impact, agenda-setting journalism is consistently lauded for going beyond the headlines to tackle the stories that often go unreported elsewhere. It has been regularly recognised by BAFTA, the Royal Television Society, Broadcast, Amnesty International and One World Media for its home news, extensive foreign coverage and talented team of expert presenters, editors, correspondents and camera operators. In 2014 the programme was awarded the prestigious International Emmy for the second year running for its coverage of the Syrian war.

Committed to promoting alternate views and perspectives, the programme reaches key youth and ethnic audiences, attracting a higher proportion of 16-34s and BAME viewers than any other mainstream news bulletin.

The Channel 4 News website is a hub for the best material from the programme as well as bespoke digital material on home and foreign news. Its specialist FactCheck blog is frequently cited in Parliament, while its viewers can get an extra dose of the programme delivered directly to their in-boxes each day with SnowMail, Jon Snow's unique take on the day's news.

No news programme in the UK commissions more independent filmmakers than Channel 4 News, discovering and showcasing talent never before seen on UK screens, such as Guillermo Galdos, who reports on South America, and producer-director Marcel Mettelsiefen, whose series of reports from Syria preceded the multi award-winning documentary Children on the Frontline.





News and analysis
for people who want
to know 'why?'

The
stories
that
affect
you



5 NEWS

5 News has taken an innovative approach to television news ever since it was launched by ITN in 1997.

Eighteen years later it continues to play a vital role in the UK television landscape, serving an audience that other news programmes do not traditionally reach.

Led by editor Cristina Nicolotti Squires, the team produces distinctive national news programming each weekday at 5pm and 6.30pm, attracting an average of 5.4 million viewers every week.

Emma Crosby presents the flagship show at 5pm - the first terrestrial tea-time news programme of the day. At 6.30pm 5 News Tonight, presented by Matt Barbet, focuses on interviews with those at the heart of the stories and debates the talking points of the day.

Presenters are supported by highly-experienced on-screen talent including Political Editor Andy Bell, Chief Correspondent Tessa Chapman, Peter Lane, Simon Vigar, Cathy Jones and Julian Druker.

The 5 News audience tunes in to see a different take on the day's news - a direct and informal approach that tackles stories in a fresh and imaginative way. The 5 News programmes have a history of boldness, doing things differently and often leading on stories that appeal to viewers who may not naturally turn to current affairs programming.

A strong mix of home and foreign, light and shade, in editorial output has seen 5 News short-listed for the prestigious Royal Television Society News Programme of the Year for the last two years in a row.

As well as producing daily news output, the 5 News team also collaborates with ITN Productions to deliver fast turnaround and current affairs programming on key stories such as missing flight MH370, as well as on live debate programmes on benefits and immigration.

ITN produced 5 News from its inception in 1997 until 2005, and won back production of the service again in 2012. In October 2014, Channel 5 reinforced its commitment to news programming under its new parent company, Viacom International Media Networks (VIMN), by renewing ITN's contract to produce its 5 News bulletins and agreeing an increase in its annual news quotas.





Create something
amazing. **Today.**

ITN PRODUCTIONS

ITN Productions is the creative and commercial production company of ITN.

Focusing on its core values of speed, storytelling and connectivity, ITN Productions makes quality content for clients under the mantra 'Create something amazing. Today'. In 2014, the broadcast team delivered 170 broadcast hours and 36 commissions, up from 18 in 2013, including popular factual series Young Vets for BBC Two, the Secret Life of Pets for Channel 5, and a live debate show on the eve of the Scottish Referendum for Channel 4. Documentary Children on the Frontline won critical acclaim for its depiction of the Syrian children whose lives have been changed forever by civil war.

Serving a client base across all of the major UK broadcasters, ITN Productions also made factual programmes for Discovery, Smithsonian and A+E. ITN Productions harnessed its fast-turnaround capabilities to produce seven different programmes on missing flight MH370 for clients around the world.

With a series of multi-year contracts that translate into over 330 hours of content, ITN Productions has become a major player in sports production. In 2014, the contract to provide News UK subscribers with clips of Barclays Premier League and Scottish Premier League football and Aviva Premiership rugby increased to include England Cricket and the FA Cup, while ITN Productions' relationship with SNTV was expanded to include an Arabic service as part of their World Cup offering.

2014 saw ITN Productions cement its position as a leading producer of television commercials, working with a wide range of clients including Cadburys, Suzuki and Barclays. The innovative LEGO ad break, which saw existing adverts recreated entirely from LEGO, won four Golds and the Grand Prix at the Media Week Awards, in addition to two Gold Cannes Lions Awards. The ads went on to become the most viewed of the year on YouTube.

In 2014, the Post Production team processed around 6,000 hours of material over 32 broadcast commissions, as well as branded content, commercials and digital output. 124 hours of broadcast television were delivered to 15 international networks, all to hugely varying technical requirements.

2014 has seen ITN Productions continue to grow, with a 33% increase in headcount year on year. Just four years after the division was formed, ITN Productions has become key to ITN's profit and integral to its future growth, winning new contracts and commissions and diversifying into a wide range of content production.

ITN SOURCE

ITN Source is the content licensing division of ITN, syndicating daily news and licensing archive footage to clients around the world.

In addition to ITN's own archive of footage dating back to 1955, ITN Source represents a number of partners including Reuters, ITV, ANI, Fox News and Fox Movietone. This collection makes ITN Source the gateway to a vast video library of news and events, entertainment, music, wildlife, natural history and newsreels dating back to 1896, with 500 hours of digitised content added every month. The archive contains footage of many award-winning exclusives from ITN and other media organisations. Footage licensed by ITN Source features in Hollywood movies, TV documentaries, educational products, adverts, mobile apps, art installations, corporate productions, music videos and heritage projects around the world. In response to growing demand from broadcast clients for still images, in 2014 ITN Source partnered with Rex Features, the photographic agency and picture library, to complement its extensive archive footage library.

Headquartered in London, ITN Source also has offices in New York, Paris, Sydney, Johannesburg and Tokyo. In 2014 a Singapore sales team was created to better serve the Asian market. International operations are underpinned by e-commerce portal ITNSource.com, allowing customers in the UK and worldwide to preview and download content.

ITN Source is leading the industry in content digitisation and preservation of video material. The completion of Project Digital Archive gave ITN the UK's first fully digitised major news archive. In 2014 ITN Source began a digitisation project with Reuters focusing on its legacy archive, with over 69,000 clips having already been digitised and published as part of this project.

As well as licensing archive material, ITN's award-winning on-the-day news footage is syndicated globally by ITN Source News. Clients can choose to receive a highlights package featuring selected footage from key stories of the day, or a more comprehensive service including reporter packages, enabling them to fully integrate ITN's content into their own news programmes.

ITN Source News also provides international broadcasters with facilities and services including a fleet of SNG trucks, studio hire, plug in and play wallboxes, and use of newsroom cameras for live-spots 24/7. In 2014, Source News hosted a number of international clients at the Commonwealth Games and for the Scottish Referendum, providing vital facilities for these broadcasters on the ground.





Footage that sets
your story apart

CHIEF EXECUTIVE'S REVIEW



John Hardie

Chief Executive Officer

“*Never before in ITN's history have we produced work of such breathtaking range and quality*”

Sustain. Accelerate. Transform.

2014 was another successful year for ITN, marking the culmination of a five year period of sustained profit growth and achievement. Never before in ITN's history have we produced work of such breathtaking range and quality. Our newsrooms are stronger than ever, consistently delivering editorial excellence, alongside an enhanced position with our key clients rebuilt on more profitable terms. ITN Productions and ITN Source continue to thrive, adding a raft of new contracts and expertise.

This impressive progress has seen us exceed the challenging financial targets set in 2010, with profit reaching the benchmark of £5.2m, a year ahead of our initial goal. Underpinning this progress is the combined firepower of an organisation focused on improving efficiency, developing new capabilities, and becoming increasingly commercial.

World-class, independent, public service journalism remains our *raison d'être* and at the heart of what we do. But perhaps our biggest growth story is ITN Productions which has fast become one of the cornerstones of ITN. In 2010, the three businesses we merged to form our commercial production hub had combined revenues of £7m. Today, it is a £17m revenue business. With incredible success in broadcast programming, and corporate and commercial work, this is a group buzzing with energy, winning major awards for an array of productions from the Grierson winning 'Children on the Frontline' to the highest accolade in the world of advertising production, the Cannes Lion Palme d'Or for the UK's most watched ad break, constructed entirely from LEGO.

A 2014 production slate of 170 hours and 36 commissions has seen its credentials firmly established as one of the country's largest independent producers. A client base including all of the UK's terrestrial broadcasters saw commissions such as 10-part series 'Young Vets' for BBC Two; our first live Channel 4 show 'The Great British Break-Up?'; and a series of 'Big Row' fiery debate shows for Channel 5. "The Agenda" presented by Tom Bradby returned for a successful sixth series on ITV, with all the major party leaders once again gracing its panel, and a further six episodes of Channel 4's 'Dispatches' were produced. ITN Productions began to make serious inroads in the USA and International markets, initially by developing

global leadership in topical fast turnarounds making multiple documentaries on the Malaysia Air tragedies, and American true crime cases the Virgin Killer and the Cleveland Kidnapper for a range of international broadcasters including Discovery, Smithsonian and A+E.

This proven strength in both fast turnaround and storytelling has led to our first major series commission for a US broadcaster, with a 10-part show Killer Instinct with Chris Hansen for Discovery ID which will air in 2015.

Consolidating this broadcast offering, ITN Productions has also established itself as an emerging force in areas outside ITN's traditional territory, such as advertising, branded and corporate content, digital and sports production.

Since producing its first project back in 2011, the commercials division has become a successful player in the market, growing massively from an initial output of one, to delivering close to 40 projects in 2014. Its wide-ranging portfolio spans huge brands like Cadburys, Suzuki, IKEA and Kelloggs and includes innovative live ads and sponsorship idents around some of the UK's most recognisable shows, such as ITV's Dancing on Ice with Suzuki and Channel 4's Made in Chelsea with Rimmel.

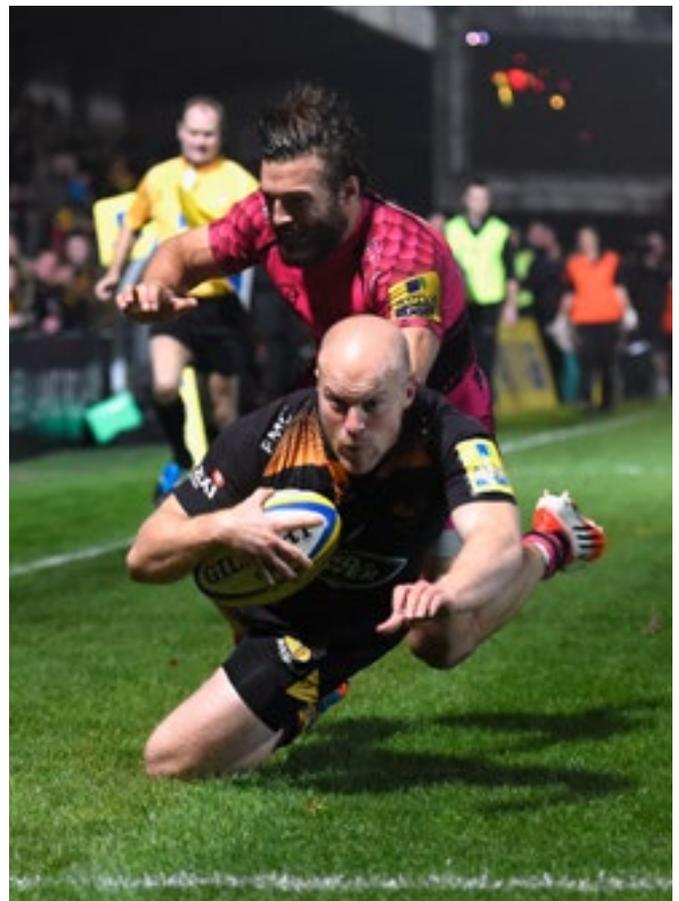
Sport was another big area of expansion as ITN Productions further cemented its position in digital sports production with a series of multi-year contracts amounting to more than 330 hours of content. The News UK deal to produce live in-game clips and highlights packages for The Sun, The Times and The Sunday Times online and mobile platforms was expanded to cover England cricket, the FA Cup and Aviva Premiership Rugby, alongside the Barclays Premier League and Scottish Premier League. Our long-standing relationship with sports rights holders SNTV also grew to include an Arabic language service for the World Cup.

Taking advantage of ITN's infrastructure has also turned ITN Productions into a key player in the post-production market. Almost all of its diverse output comes through its growing post-production unit, with investment in new infrastructure to bring significant efficiencies and plans to further expand our offering in this area.

Industry News continued to expand its corporate work

“
ITN further cemented its position in digital sports production with a series of multi-year contracts amounting to more than 330 hours of content
”

Pictured: ITN Productions added Aviva Premiership Rugby to its package of instant clips for News UK.



CHIEF EXECUTIVE'S REVIEW

“

The commercials division has become a successful player in the market, delivering close to 40 projects in 2014

”

Pictured: Filming Suzuki's brand sponsorship idents for ITV's Dancing on Ice



with business and trade associations, representing sectors such as banking, transport and health. The team have created hundreds of hours of bespoke programming and are focused on increasing the US footprint in partnership with Disney's ABC.

ITN Source, which in 2008 lost £3m, hit a milestone when the archive clip business made a profit last year, after years of digitisation, efficiency and entrepreneurial salesmanship. Progress continued into 2014 with another successive year of significant profit contribution.

Final delivery of the highly complex Qatar Foundation project was completed during the year - the highest value deal in ITN Source's history. A major digitisation programme with Reuters also resulted in over 5,000 hours of Reuters legacy archive being digitised to date. Work began too on a large scale initiative to target the growing Digital Education sector.

In addition, ITN Source News successfully hosted and provided broadcast facilities for a number of international clients at the year's biggest domestic events including the Commonwealth Games and the Scottish Referendum, as well as distributing live feeds and instant reaction to broadcasters across the globe.

From Gaza to Ukraine, the rise of Islamic State to the deadly spread of Ebola, our teams from ITV News, Channel 4 News and 5 News were there to capture it all. Closer to home, the UK floods saw our people mobilise on a huge scale, presenting live shows from the affected areas, and using innovative cutting edge reporting techniques, such as drones, to bring the story to life.

With a new long-term contract in place, 2014 saw another stellar year for ITV News as the newsroom under Editor Geoff Hill set the agenda with a host of hard-hitting exclusives, resulting in a record Royal Television Society Awards haul for home news, foreign coverage, presenter and programme of the year.

ITV News was the first to unmask the young Brits signing up to fight in Iraq and Syria. The first to show the devastating impact of IS actions with exclusive interviews with Bethany Haines, the teenage daughter of murdered hostage David Haines, and Alan Henning's brother-in-law, Colin Livesey. James Mates stayed consistently ahead of the game as the story of Ukraine unfolded and Julie Etchingham secured a much sought-

after audience with the Pope.

A clear signal of ITV's commitment to news and current affairs, and a vote of confidence in the quality of ITN's output, came with new monthly current affairs strand, *On Assignment*. Fronted by Rageh Omaar and featuring fellow ITV News journalists, *On Assignment* comprises long-form reports, giving perspective and insight on some of the world's biggest stories and sits alongside production of the ITV Tonight programmes in the newsroom.

The ITV News livestream continues to grow, up 230% year on year to 18.5 million views, with 75% of online traffic coming from social media. The ITV News app was launched, offering users quality breaking news content delivered to regional specifications of their own choosing. ITV News also joined together with Bite the Ballot to launch *Leaders' Live*, a series of online discussions with the major political leaders, with the aim of reaching young voters.

Under the editorship of Ben de Pear, Channel 4 News continued its remit of engaging analysis delivered with a hint of mischievous flair, and a unique style. Unafraid to explore stories outside of the accepted daily news agenda, this year saw fascinating films from far flung places, including Guillermo Galdos' stunning reportage from Latin America and Paraic O'Brien's exploration of the subterranean community living under the streets of Bucharest. From Farage to Ferguson, these special reports sat alongside powerful reporting of the biggest domestic and foreign stories.

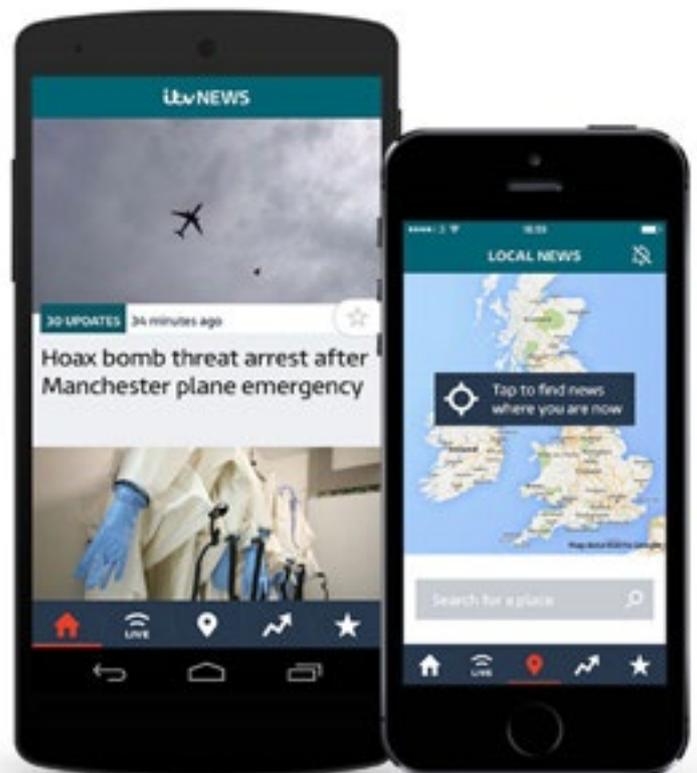
The specialist online team continues to use its digital channels to augment and add depth to its reportage. Creating compelling content and interactive formats across all platforms, this work was recognised by industry peers, winning four Online Media Awards in 2014. Channel 4 News also teamed up with Mashable for the Scottish Referendum vote to disseminate exclusive content across their various platforms, as well as using Snapchat and WhatsApp to reach new audiences.

It continues to pursue an innovative digital strategy, with a view to increasing the brand's online reach among the key 16-34 demographic. The goal is to produce material with both a Channel 4 News quality and a YouTube sensibility, to engage viewers on the website and across social platforms.

In Cristina Nicolotti Squires' first full year at the helm,

“*A clear signal of ITV's commitment to news and current affairs came with new monthly strand, On Assignment*”

Pictured: ITV News launched its new app in 2014



CHIEF EXECUTIVE'S REVIEW



Pictured above: Channel 4 News' report on Bucharest's underground community won an RTS Award.

Pictured below: Emma Crosby presents live from the UK's flood-affected areas for 5 News



5 News redefined its output. The 6:30pm bulletin was renamed 5 News Tonight and Matt Barbet returned to present it. With interviews with those at the heart of the day's news stories plus debates on the talking point of the day – the show has a different style to the 5pm news show presented by Emma Crosby, but remains true to the same 5 News brand.

Former Ofcom chief Ed Richards himself paid tribute to 5 News' important role and contribution to pluralism, serving a demographic that other news programmes do not traditionally reach. As part of its commitment to tell the stories that matter, the programme often leads on its own investigations into subjects that are of real appeal to viewers who may not naturally turn to current affairs programming.

2014 saw a series of week-long themed 5 News reports into some of the biggest domestic stories, going in-depth over five nights and examining the NHS, old age, legal highs, and the effects of video games. The programme also secured a British TV first when Peter Lane became the first person to broadcast live from the top of Ben Nevis as part of their coverage of the Scottish Referendum. An increase in foreign coverage also saw special reports from places like South Sudan.

In October 2014, our contract to produce 5 News was renewed by Channel 5 under its new parent company, Viacom International Media Networks (VIMN). The channel also signalled its ongoing commitment to news by agreeing an increase in its annual news quotas with regulator Ofcom.

2014 saw significant progress against our strategic objectives, establishing a firm foundation to accelerate future growth. Looking ahead, we can feel justified in our self-confidence, optimism and ambition for 2015 and beyond.

CHAIRMAN'S STATEMENT



Andrew Garard

Chairman

“
We are optimistic that the years ahead hold both promise and opportunity for ITN as it continues to build on the past towards an even brighter future
 ”

I am delighted to be able to report a fifth successive year of underlying profit growth.

The considerable progress made in the financial and operational performance of ITN demonstrates a consistent track record of delivery against a clear set of strategic objectives, as the company further expands into new and exciting areas.

Today ITN is now a far stronger business than it was five years ago, successfully exploiting the momentum of diversification.

Operating profit before exceptional items grew by £0.8m to £5.8m, exceeding the annual level needed to meet the next ten years of contributions to fund the pension deficit under the agreed recovery plan - a year earlier than expected.

This strength is testament to the talent, drive and entrepreneurial spirit of our people. On behalf of the Board, I would like to thank them for their commitment and enthusiasm in delivering another record year.

2014 also saw progress against ITN's stated goal to increase the diversity of its workforce, both on and off screen. In addition to collaborating on a number of initiatives through organisations such as the Creative Diversity Network and the Media Trust, a new company-wide diversity forum was established and the ITN Academy was launched, targeting candidates from socially and ethnically diverse backgrounds.

I would like to pay special tribute to former ITN Board member Mike Stewart who sadly passed away during the year following a serious illness. Mike was a committed and long-serving member of the Board for the past 15 years prior to stepping down in January. We will all miss him. Thanks must also go to Maggie Carver who completed her five-year term as Chairman in July.

As the Company prepares to celebrate its 60th anniversary milestone, we are optimistic that the years ahead hold both promise and opportunity for ITN as it continues to build on the past towards an even brighter future. The Board remains confident that management has built the necessary financial foundation for long-term sustainable growth and we look forward to reporting on the next phase of ITN's evolution in 2015 and beyond.





OUR PEOPLE

BOARD OF DIRECTORS



1 JOHN HARDIE



2 BRYAN MARTIN



3 ANDREW GARARD



4 MAGGIE CARVER



5 SIMON PITTS



6 GRAHAM BROWN



7 GEERT LINNEBANK

1. John Hardie Chief Executive Officer

John Hardie joined ITN in June 2009 as CEO. Prior to joining ITN, John was EVP at Walt Disney Television EMEA from 2001 to 2009 where he ran the region's Disney Channels portfolio, and was Chairman of German broadcaster Super RTL and CEO of Jetix N.V. (formerly Fox Kids). Between 1997 and 2001 John was Marketing and Commercial Director of ITV Network Ltd. He started his career with 14 years at Procter & Gamble. John is currently Chairman of the Royal Television Society.

2. Bryan Martin Chief Financial Officer

Bryan was appointed Chief Financial Officer of ITN in 2009. Having initially trained and qualified with PwC, Bryan spent the next 16 years working at Reuters, progressing to Global Head of Finance. Bryan is an alumni of the London School of Economics.

3. Andrew Garard Chair

Andrew joined ITV as Group Legal Director and General Counsel in November 2007. Previously, Andrew was a Partner in the corporate department of LeBoeuf, Lamb, Greene & Macrae, focusing on mergers and acquisitions and projects primarily in the telecoms & media sectors in Europe, Asia and the US. Prior to that, Andrew was Group General Counsel & Company Secretary at Cable & Wireless PLC, responsible for global legal, regulatory, compliance & insurance affairs. He has held positions at Reuters Group PLC, Freshfields and Clifford Chance.

4. Maggie Carver

Maggie Carver is Chairman of ITN's Audit Committee. She is also UBM's representative on the Board and has a background in investment banking followed by a career mainly in the media sector. Previously she was Managing Director of Channel Four Racing and Global Broadcast as well as being Chairman of SDN Ltd. Maggie has been non-executive director of Channel Five and programme producer RDF Media. She is MD of Carvercare Mobility Group, Chairman of Racetech and a non-executive director on the boards of the Service, Sound and Vision Corporation and the British Board of Film Classification.

5. Simon Pitts

Simon Pitts is Managing Director for Online, Pay TV, Interactive & Technology at ITV. Simon joined ITV in 2000 and has held roles in ITV's public affairs, regulatory and new media departments before joining the strategy team in 2007. Simon also runs SDN, ITV's digital multiplex business, and sits on the board of Digital UK. Before ITV Simon worked in the European Parliament in Brussels, where he specialised in media issues.

6. Graham Brown

Graham is DMGT's representative on the ITN Board. Graham joined DMGT in 1988 and became Finance Director of the Group's radio division in 1996. He joined Carphone Warehouse as Business Development Director responsible for mergers and acquisitions. In 2003 he rejoined DMGT, and became head of M&A for the consumer media division, DMG Media.

7. Geert Linnebank

Geert Linnebank is Thomson Reuters's representative on the ITN Board and Chair of ITN's Remuneration Committee. Geert was Editor-in-Chief of Reuters from 2000 to 2006 and Reuters Global Head of Content from 2002 to 2006. He joined the company in Brussels in 1983 as a correspondent covering European Union affairs.

EXECUTIVE TEAM



1 GEOFF HILL



2 BEN DE PEAR



3 CRISTINA NICLOTTI SQUIRES



4 MARK BROWNING



5 ANDY WILLIAMS



6 JAMES SCORER



7 SARAH VAUGHAN-BROWN



8 BEVAN GIBSON



9 MELANIE TANSEY

1. Geoff Hill Editor, ITV News

Geoff Hill was appointed Editor of ITV News in September 2013. Prior to that he was Editor of 5 News. Geoff had rejoined ITN from CNN International, where he was Director of Coverage. Before this Geoff worked for ITV News from 2000 until 2009 where he held senior input and output positions, rising to Programme Editor with responsibility for the flagship News at Ten. He went on to launch and run sports news channel Setanta Sports News as Editor-in-Chief. Geoff began his career as a reporter on the Southwark News.

2. Ben de Pear Editor, Channel 4 News

Ben de Pear is the Editor of Channel 4 News, produced by ITN for Channel 4. Ben was appointed to the role in July 2012, having joined Channel 4 News in 2005 as a senior foreign producer, later becoming head of foreign news, where he led the programme's investigation into the end of Sri Lanka's civil war which prompted a UN investigation and global calls for a war crimes tribunal. This formed the basis of 2011's award-winning Sri Lanka's Killing Fields- produced by ITN for Channel 4.

3. Cristina Nicolotti Squires Editor, 5 News

Cristina was appointed in October 2013 after almost 20 years at ITV News. Joining ITN in 1994, Cristina soon became a national News Editor for ITV News, rising to Head of Home News. She then moved into production, rising to Head of Output and Assistant Editor. Cristina has worked on coverage of every British and US election since 1994 and travelled around the world with ITV News correspondents. She's been part of ITV News teams winning BAFTA and Royal Television Society awards.

4. Mark Browning Managing Director, ITN Productions

Mark joined ITN in 2009 as Commercial Director of ITN's digital division before launching ITN Productions in 2010. Since then he has overseen its growth by expanding the business into television, sport, commercials, corporate, and digital production. Prior to ITN, Mark had an extensive career in radio, culminating in becoming Programme Director at Heart 106.2.

5. Andy Williams Managing Director, ITN Source

Andy was appointed MD of ITN Source in 2012 following a successful period as acting Managing Director. With a strong commercial track record, Andy manages the day-to-day operations of ITN Source which includes overseeing content, sales, marketing and international teams.

6. James Scorer Director of Business Affairs & Company Secretary

Solicitor James Scorer joined ITN in 1996 in the dual roles of Director of Business Affairs and Company Secretary. As such he is involved in all aspects of ITN's business. Previously James was a partner at media lawyers, Olswang.

7. Sarah Vaughan-Brown Director of Corporate Communications

Sarah joined ITN in November 2008 and is responsible for driving the company's public relations strategy and corporate profile, as well as internal communications and public affairs. She previously spent more than a decade at Trinity Mirror plc, latterly as Head of Public Relations, where she oversaw communications across the group's portfolio of media brands.

8. Bevan Gibson Chief Technology Officer

Bevan joined ITN in 2014. Previously, he was responsible for the Operational aspects and Technology strategy of Sky Creative, part of BSkyB. Prior to that, Bevan was the Technical Launch Director for Sky News Arabia. Before joining BSkyB in 2003, Bevan worked as Engineering Support Manager at Orad UK, a 3D graphics company. Bevan began his career at Australia's Seven Network.

9. Melanie Tansey Director of Human Resources

Melanie Tansey joined ITN in 2010 and is responsible for providing strategic and operational leadership to the HR department, ensuring that it actively contributes to business goals. She has previously held a succession of senior HR roles at IT giant Hewlett Packard, which she joined in 2001.





Pictured: ITN Productions created Young Vets, a 10-part series for BBC Two

Strategic report

The principal activity of Independent Television News Limited (the “Company”) and its subsidiaries (the “Group” or “ITN”) is to provide high quality national and international daily scheduled television news programming to UK broadcasters. ITN also provides short and long form programming, on-the-day and archive material, digital production services, commercial video production, and provides technical and production facilities to third parties. The Companies Act 2006, requires the Company to set out in this report a fair review of the business of the Group during the year ended 31 December 2014, including an analysis of the Group’s position at the end of the financial year. The information that fulfils these requirements in conjunction with this Strategic Report, can be found in the Chairman’s Statement and the Chief Executive’s Review of the Annual Report and Accounts.

Business review

The Group has achieved another year of good profit growth. Operating profit before exceptional items increased 16% to £5.8 million (2013: £5.0 million). Profit before tax decreased by £1.6 million to £5.0 million (2013: £6.6 million) largely due to non-operating items that occurred in 2013.

Operating businesses

ITN revenues increased by 6% to £112.0 million (2013: £105.8 million). News revenues increased 2% to £83.0 million (2013 £81.5 million) largely due to inflationary increases on the contracts and funded capital movements and new assignments up £0.3m. Revenues from other businesses increased by 17% to £30.5 million (2013: £26.0 million) primarily due to the success of the Productions business.

Operating profit before exceptional items increased by £0.8 million, led by revenue increases in Productions, the continued improved margin on the news provision contracts, and sustained careful cost management.

ITN has built a strong reputation as the UK’s leading commercial supplier of independent broadcast news, delivering powerful, authoritative, world-class coverage, reaching around ten million people every day. 2014 saw ITV News, Channel 4 News and 5 News deliver more compelling, award winning and innovative journalism and analysis. Our news teams covered the most important events in an enterprising and distinctive format, from the Brazil World Cup, to the Scottish Independence Referendum; global conflicts such as those in Gaza, Ukraine, Iraq, and Syria; the growth of ISIS and Islamic extremism; the centenary of the first World War; the lengthy Oscar Pistorius trial; the disappearance of the Malaysian Airlines flight, and the devastating Ebola crisis.

The ITN Productions business has built on its prior year performance, again generating significant financial improvement. Revenue grew by 44% to £16.7m (2013: £11.6m). In Broadcast there were 10 series produced, compared to four in 2013, and this has also helped grow sales of overseas rights. Major productions in 2014 included Young Vets for BBC Two, Dispatches for Channel 4, The Agenda for ITV, Road to Rio for Dave and Black Market Britain for Channel 5. TV Commercials revenue grew on the back of producing high profile adverts for Cadburys, Suzuki and Barclays, while the England cricket team and the FA Cup have been added to our roster of sports production for News UK, adding to existing contracts for Barclays Premier League and Scottish Premier League football and Aviva Premiership Rugby. Our corporate conference programming business, Industry News, has doubled in size by expanding into the United States and partnering with additional UK associations.

ITN Source had a solid year under challenging market conditions. The core market sector of archive based TV programming continues to decline, although ITN Source has made progress in generating new business from non-traditional markets such as museums and heritage institutions, the digital education sector. In 2014, ITN Source News provided facilities to a number of international broadcasters at the Commonwealth Games in Glasgow and for the Scottish Independence Referendum. The last phase of the contract to produce a historical news and film collection for the Qatar Foundation was delivered in 2014, although less revenue was recognised in 2014 versus 2013 because of the phasing of the contract.

Other items

Exceptional operating items of £nil (2013: £2.3 million) have been recognised in the year. An exceptional net settlement gain of £2.8 million was recognised in relation to a Pension Increase Exchange exercise which occurred during the year ended 31 December 2013. Further information is provided in Note 6 and Note 17 of the Accounts. This was offset in 2013 by an exceptional onerous lease provision of £0.5 million in relation to vacated property

(2014: £nil). Further information is provided in Note 6 of the Accounts. Due to their material nature on the results of the business they have been highlighted as an exceptional item.

The Group sold its investment in Espresso Group Limited in the year ended 31 December 2013, generating a profit on disposal from deferred consideration of £0.5 million (2013: £0.7m). As a result of this disposal, ITN made an additional contribution to the ITN Defined Benefit Pension Scheme (the "ITN Pension Scheme") in excess of the funding agreement with the Trustees of £0.7m million. Further information is provided in Note 7 of the Accounts.

Other finance costs increased by £0.3 million to £1.6 million (2013: £1.3 million) during the year. The finance costs relate to the ITN Pension Scheme which is closed to future accrual. The accounting deficit on the ITN Pension Scheme at 31 December 2014 increased to £98.5 million (2013: £80.4 million) and further information is provided at Note 17. The deficit has increased due to significantly lower discount rates.

Cash management

At 31 December 2014, ITN had £8.1 million of cash, down £0.5 million on the prior year. Increased capital spend of nearly £1.0 million and an extra contribution above the received deferred consideration for the sale of Espresso was offset by the increased revenue and margins in the year. Year-end cash was also impacted by outstanding major contract debts settled later than usual post 31 December 2014.

Pension funding obligations go up to £5.2m a year from the start of 2015, in line with the agreed funding plan.

Risk management and internal controls

The Board has overall responsibility for the Group's systems of internal control and risk management and for reviewing their effectiveness. The Executive Directors and management are responsible for implementing risk and control policies and providing assurance on compliance with these policies. The Group continues to take steps to embed internal control and risk management in the operations of the business, as areas for improvement come to the attention of the Board and management.

Principal risks and uncertainties

a) Financial Risks

ITN Pension Scheme funding risk

The ITN Pension Scheme has a significant funding deficit as detailed in Note 17 of the Accounts. There is a risk of financial insolvency if the deficit cannot be managed. The Company has agreed a recovery plan with the Scheme Trustees as part of the 31 December 2011 Triennial Actuarial Valuation. In addition, the ITN Pension Scheme has been closed to future accrual since 31 March 2010 and a Pension Increase Exchange was offered to pensioners during the year ended 31 December 2013. The Company, in conjunction with the Trustees, continues to evaluate options to reduce the risk further.

Reliance on key contracts

The Company generates a substantial portion of its revenue from a number of key customers. Damage to or loss of any of these relationships could have a direct and potentially material effect on the Company's results. The Company enters into long-term contracts with its key customers which mitigate the risk. Board members and the Executive Team regularly meet with key customers and review the relationships to ensure that the Company continues to meet their respective needs.

Strategic report

Exposure to credit, liquidity and foreign exchange risk

The Group's principal financial assets are bank balances, cash, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables which are principally due from major broadcasters thereby reducing recovery risk. Liquid funds are held with financial institutions that are regularly reviewed by the Treasury function.

There is a risk that there are insufficient funds available for ongoing operations and future developments. The Group manages its exposure by continuously monitoring short and long-term forecasts and actual cash flows to ensure sufficient funds are available.

The Group's activities currently do not significantly expose it to the financial risks of changes in foreign currency exchange rates and there is a degree of operational hedging with revenues and costs arising in foreign currencies through the operation of the ITN Source business overseas and overseas news bureaux.

b) Reputational Risks

Damage to journalistic reputation

ITN's reputation for journalistic integrity could be damaged if news sources are not correctly vetted, there is a major editorial error or regulatory breach or ITN is perceived as failing to produce accurate and impartial news. ITN has a strict internal compliance process, with the aim of minimising and mitigating legal compliance exposure and reputational risk. ITN has an internal compliance team supported by external legal counsel. All employees and contract staff are briefed on and required to read the ITN's Compliance Manual as part of their induction and this is periodically updated and reissued. Staff are provided with regular compliance training.

Failure or interruption of or denial of access to broadcast or information technology systems and infrastructure

The Group's ability to meet its requirements under its broadcast, production and archive supply agreements is dependent on the Group's broadcast and information technology systems. Any system interruption due to incidents such as denial of access attacks, infrastructure failure or damage could seriously impact the Group's ability to meet these requirements. A cyber / viral attack or hijack of social media could also cause prolonged system denial, loss of intellectual property or substantial damage to the reputation of the Group. The Group has business continuity and disaster recovery plans in place and these are regularly reviewed. In addition, the Group regularly reviews the security of its systems and has security protocols and procedures in place.

c) People Risks

Loss of key personnel

The performance of the Group depends on its ability to continue to attract, motivate and retain key staff. The loss of key personnel could impact the Group's ability to operate effectively or result in a loss of knowledge and experience. The Executive Management and Remuneration Committee monitor the levels and structure of remuneration for senior management and seek to ensure that they are designed to attract, retain and motivate talent. The Group aims to provide conditions for fulfilling careers for all employees through remuneration and benefits and career development opportunities.

Financial controls

The Company has established a framework of internal financial control, the key elements of which are:

- The Board has responsibility for approving the overall Group and Company strategy, for approving revenue and capital budgets and quarterly forecasts and determining plans for the financial structure of the Company and Group. Monthly results and variances from budgets and forecasts are reported to the Board monthly.
- There is a comprehensive process for performing annual strategy reviews and budgeting and quarterly forecasting.

- There is an organisational structure with clearly defined lines of responsibility and approval controls identifying transactions requiring Board approval. The CFO has responsibility for functional leadership and development of the Company's finance activities.

Non-financial controls

The Company has established a wide range of non-financial controls covering areas such as legal and regulatory compliance, anti-bribery, health and safety, employment and business continuity. The effectiveness of these is reviewed by the Management Team and the Board and through the quarterly senior management Compliance Meeting.

Employees

The Group employs 730 staff, and also engages freelance staff who are contracted on specific assignments and projects. All individuals are key to the Group's success.

ITN is proud to be a diverse and inclusive place to work and believes that attracting and retaining people from as wide range of backgrounds as possible helps us to be at our most creative, innovative and distinct in what we do. The Group firmly believes in creating a working environment that is free from all kinds of discrimination and harassment and will not permit or tolerate discrimination in any form. We are an active member of the Creative Diversity Network and support a wide range of industry initiatives. In 2014 ITN launched its first Diversity and Inclusion Forum which is made up of staff from each of the divisions who were nominated by their management because they are passionate about diversity and inclusion.

2014 saw the launch of the Group's first ever group intake of paid apprentices. Our recruitment campaign was designed to attract individuals from a wide range of backgrounds and socio-economic groups. The 18-month scheme will see eight apprentices learning all aspects of the Group's operations across several divisions and services. Our ambition is that all eight will secure permanent entry level positions at ITN on completion of the scheme.

The importance of staff training and development is recognised at all levels, with training programmes being focussed on giving staff the skills they need to perform their roles effectively and develop their careers, whilst ensuring there is a pipeline of talent within the Group.

The Group regularly communicates with its staff through e-mails, an intranet site and a quarterly magazine. In addition, regular meetings are held within departments as well as ad hoc Group wide 'town hall' meetings.

Approved by the Board and signed on its behalf by

J H Scorer
Secretary
200 Gray's Inn Road
London
WC1X 8XZ
13th April 2015





Pictured: ITV's The Agenda with Tom Bradby returned for its sixth series

Directors' report

The directors of Independent Television News Limited (the "Company") present their Annual Report together with the audited accounts of Independent Television News Limited and its subsidiaries (the "Group" or "ITN") for the year ended 31 December 2014.

Board of Directors

The Board consists of two Executive Directors and five Non-Executive Directors who are detailed below, with biographical details provided on pages 22-23.

Executive Directors

J M Hardie
B R Martin

Non-Executive Directors

M A M Carver (Chairman until 23 July 2014)
G W Linnebank
M D Stewart (Resigned 7 April 2014)
Graham Brown (Appointed 7 April 2014)
S J Pitts
A S Garard (Chairman since 23 July 2014)
T M Betts (Alternate to A S Garard)

The Board

The Board's primary tasks are the setting of the Group's overall strategy, the enhancement of shareholder interests, the approval of revenue and capital plans, the maintenance of controls to ensure effective operations, oversight of controls, audit and risk management, the approval of accounts and the review and approval of remuneration policies. The Board is committed to appropriate standards of corporate governance. The Board meets for scheduled meetings regularly throughout the year. To enable the Board to perform its duties, the directors have full access to all relevant information and to the services of the Company Secretary.

The Audit Committee

The Audit Committee currently comprises all Non-Executive Directors with M A M Carver as Chairman and meets at least once a year. The Committee reviews the Group's annual financial statements before submission to the Board for approval. The Committee also reviews reports from the external auditors on accounting and internal control matters. Where appropriate, the Committee monitors the progress of action taken in relation to such matters. The Committee also recommends the appointment and reviews the fees of the external auditors.

The Remuneration Committee

The Remuneration Committee currently comprises all Non-Executive Directors with G W Linnebank as Chairman. The Committee does not retain a firm of remuneration consultants, but may seek professional advice on an ad hoc basis.

In determining the remuneration packages of the Executive Directors, the Committee has regard to the importance of recruitment, motivation and retention of quality management. Base salary and benefits are determined on an annual basis by the Committee after a review of the individual's performance, Group performance, market trends and the UK inflation rate. For guidance, the Committee has regard to available research and published remuneration information on comparable companies. Benefits include the Company pension scheme; salary security and disability cover; health insurance and death in service cover. The value of such benefits is not pensionable.

The Executive Directors participate in a Long Term Incentive Plan to promote longer term performance and

retention, which is contingent on aggregate profit exceeding certain targets for the three years ended 31 December 2015. This is consistent with the previous Long Term Incentive Plan. Further information is provided in Note 9 of the Accounts, Staff Costs and Directors' Remuneration.

Supplier payment policy

It is the Company's policy to agree terms of payment prior to commencing trade with any supplier and to abide by those terms based on the timely submission of satisfactory invoices. Trade creditor days of the Company for the year ended 31 December 2014 were 6 days (2013: 7 days), based on the ratio of Company trade creditors at the year end to the amounts invoiced during the year by trade creditors.

Charitable and political contributions

During the year the Group made charitable donations of £34,000 (2013: £25,000). There were no political donations.

Dividends

The directors do not recommend the payment of a dividend (2013: £nil).

Going concern

After making enquiries and considering the uncertainties described in detail in Note 1 in the Accounts, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies in the Accounts.

Statement on disclosure of information to auditors

Having made the requisite enquiries, as far as each of the directors is aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each of the directors has taken all steps they should 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 the information.

Auditors

Deloitte LLP have expressed their willingness to continue in office as the Company's auditor and a resolution to re-appoint them will be proposed at the forthcoming Board and Audit Committee Meeting.

Approved by the Board and signed on its behalf by

J H Scorer
Secretary
200 Gray's Inn Road
London
WC1X 8XZ
13th April 2015

Directors' report

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor's report

Independent auditor's report to the members of Independent Television News Limited

We have audited the financial statements of Independent Television News Limited for the year ended 31 December 2014 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses, and the related notes 1 to 25. 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 Directors' Responsibilities Statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's 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:

Auditor's report

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

James Bates (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

16th April 2015

ACCOUNTS



Consolidated profit and loss account

Year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Turnover	3	111,959	105,829
Cost of sales		(91,960)	(86,639)
Gross profit		19,999	19,190
Administrative expenses		(14,242)	(11,950)
Other administrative expenses		(14,242)	(14,232)
Exceptional administrative items		-	2,282
Operating profit on ordinary activities before interest and taxation	4	5,757	7,240
Operating profit on ordinary activities before interest and taxation before exceptional items		5,757	4,958
Exceptional items	6	-	2,282
Profit on disposal of fixed asset investments	7	534	681
Income from other fixed assets investments	8	495	452
Share of losses in joint venture and associate undertakings	12	(43)	(336)
Interest receivable and similar income		18	13
Interest payable and similar charges	9	(109)	(132)
Other finance costs	9	(1,611)	(1,314)
Profit on ordinary activities before taxation		5,041	6,604
Tax charge on ordinary activities	10	(810)	(1,839)
Profit for the financial year		4,231	4,765

The movement on reserves is set out in Note 20 to the financial statements.

A consolidated statement of total recognised gains and losses is set out on page 48.

All activities are continuing. The accompanying notes are an integral part of this consolidated profit and loss account.

Consolidated balance sheet

Year ended 31 December 2014

	Notes	2014 £'000	2013 restated £'000
Fixed assets			
Tangible assets	11	8,680	8,580
Investments	12	457	500
		9,137	9,080
Current assets			
Debtors	13	22,433	21,279
Cash at bank and in hand		8,144	8,609
Stock and work in progress	14	1,025	521
		31,602	30,409
Creditors: amounts falling due within one year	15	(28,853)	(29,086)
Net current assets		2,749	1,323
Total assets less current liabilities		11,886	10,403
Creditors: amounts falling due after more than one year	16	-	(118)
Provisions for liabilities	17	(3,421)	(3,629)
Net assets excluding pension liability		8,465	6,656
Pension liability	18	(78,767)	(64,306)
Net liabilities including pension liability		(70,302)	(57,650)
Capital and reserves			
Called-up share capital	19	400	400
Profit and loss account	20	(70,702)	(58,050)
Shareholders' deficit	21	(70,302)	(57,650)

The accompanying notes are an integral part of this consolidated balance sheet.

The financial statements of Independent Television News Limited (registered number 548648) were approved by the Board of Directors on 1st April 2015.

Signed on behalf of the Board of Directors

B R Martin
Director
13th April 2015

Company balance sheet

Year ended 31 December 2014

	Notes	2014 £'000	2013 restated £'000
Fixed assets			
Tangible assets	11	8,680	8,580
Investments	12	490	490
		9,170	9,070
Current assets			
Debtors	13	22,677	21,244
Cash at bank and in hand		7,604	7,967
Stock and work in progress	14	1,025	521
		31,306	29,732
Creditors: amounts falling due within one year	15	(28,210)	(28,255)
Net current assets		3,096	1,477
Total assets less current liabilities		12,266	10,547
Creditors: amounts falling due after more than one year	16	-	(118)
Provisions for liabilities	17	(3,421)	(3,629)
Net assets excluding pension liability		8,845	6,800
Pension liability	18	(78,767)	(64,306)
Net liabilities including pension liability		(69,922)	(57,506)
Capital and reserves			
Called-up share capital	19	400	400
Profit and loss account	20	(70,322)	(57,906)
	21	(69,922)	(57,506)

The accompanying notes are an integral part of this Company balance sheet.

The financial statements of Independent Television News Limited (registered number 548648) were approved by the Board of Directors on 1st April 2015.

Signed on behalf of the Board of Directors

B R Martin
13th April 2015

Consolidated cash flow statement

Year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow from operating activities	22	1,805	350
Returns on investments and servicing of finance			
Income from fixed assets investments	8	495	452
Net proceeds from disposal of fixed asset investment	7	573	2,424
Interest received		18	13
Interest paid		(1)	-
Interest element of finance lease and hire purchase rentals		(13)	(25)
Investment in joint ventures	12	-	(200)
Loan to joint ventures		(50)	(55)
Net cash inflow from returns on investments and servicing of finance		1,022	2,609
Taxation			
Corporation tax received		89	-
Capital expenditure and financial investment			
Acquisition of tangible fixed assets		(3,188)	(2,224)
Proceeds from sale of tangible fixed assets		30	55
Net cash outflow from capital expenditure and financial investment		(3,158)	(2,169)
Cash (outflow) / inflow before financing		(242)	790
Financing			
Capital element of lease payment		(223)	(222)
Net cash outflow from financing		(223)	(222)
(Decrease) / increase in cash in the year	23	(465)	568

The accompanying notes are an integral part of this consolidated cash flow statement.

Consolidated statement of total recognised gains and losses

Year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Group profit for the financial year		4,231	4,765
Actuarial (loss) / gain relating to the pensions scheme	18	(21,163)	435
Deferred tax on attributable pension scheme liabilities		3,755	(1,329)
Current tax attributable to pension scheme contributions		795	1,226
Effect of decrease in tax rate on deferred tax asset on pension liability		(270)	(2,390)
Total recognised (losses) / gains relating to the year		(12,652)	2,707

The profits for 2014 and 2013 are reported under the historical cost convention.

The accompanying notes are an integral part of this consolidated statement of recognised gains and losses.

Notes to the financial statements

Year ended 31 December 2014

1. Statement of accounting policies

A summary of the principal accounting policies of the Group is set out below, all of which have been applied consistently throughout the current and preceding year.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report.

The Group made a profit after tax of £4,231,000 in the year to 31 December 2014. It had net current assets of £2,749,000. The Group's activities are funded out of operating cash flows.

At 31 December 2014, the ITN Pension Scheme had a deficit under Financial Reporting Standard 17 "Retirement Benefits" of £98,500,000 (Note 18). The 2014 triennial actuarial valuation has only recently been initiated and is not available at the date of signing these financial statements. The triennial actuarial valuation of the scheme at 31 December 2011 and associated recovery plan that have been agreed with the Trustees of the ITN Pension Scheme therefore remain in place. The directors believe that the associated agreed funding plan enables the Company to make appropriate contributions to the Scheme to reduce the deficit whilst continuing to grow the business. Ofcom have recently ratified the long term contract between ITN and ITV which is therefore effective 1 January 2013 and ends 31 December 2018.

After making enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the going concern basis continues to be adopted in preparing the Annual Report and Financial Statements.

Basis of consolidation

The Group financial statements consolidate the financial statements of Independent Television News Limited and its subsidiary undertakings up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. The Group's investment in associates and joint ventures is accounted for by recognising the Group's share of the post-acquisition profit and losses. If the Group's share of losses in an associate or a joint venture equals its investment, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture, in which case a provision is recognised.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom generally accepted accounting standards.

Turnover

Group turnover comprises the value of sales (excluding VAT and similar taxes and intra group transactions) of services in the normal course of business.

Turnover represents, in the case of long term contracts, the proportion of the contract value applicable to the activity in the period, ascertained by reference to the extent to which contractual obligations have been carried out. Programme and Archive material income is recognised in line with the specific licence agreement or on delivery of the product.

Stock and work in progress

Production related work in progress comprises the costs incurred in producing a programme or series of programmes, where the programme or series is part way through the productions process and not yet available for delivery to a broadcaster. The work in progress is recognised within current assets as production cost incurred and

Notes to the financial statements

Year ended 31 December 2014

1. Statement of accounting policies (continued)

is recognised on delivery of episodes.

This is a change in accounting policy in 2014 due to the now significant and increasing costs on the balance sheet relating to the growing ITN Productions division. The effect is to reduce the Debtors' balance by £1,025,000 (2013: £521,000) and reclassify this to Stock and WIP (Note 14). Comparatives have been restated on an equivalent basis.

Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write-off the cost of tangible fixed assets over their expected lives on a straight line basis. The rates applicable are:

Fixed plant and equipment	Lower of useful economic life (between 5 and 10 years) or lease term
Office and technical equipment	Lower of useful economic life (between 1 and 10 years) or lease term
Motor vehicles	4 years

Under the news provision contracts, the broadcasters may contribute funds for the purchase of necessary equipment. Such assets are capitalised and amortised over the expected useful economic life. Capital contributions received from broadcasters to fund the expenditure, are included in accruals and deferred income when received or receivable from the broadcaster and credited to the profit and loss account over the expected useful economic life of the relevant asset.

Assets under construction will be held at cost less any impairment losses and will be added to the relevant pool and depreciated once the asset is available for use.

Foreign currency

Transactions denominated in foreign currencies are recorded in the local currencies at prevailing exchange rates. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange at the balance sheet

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Taxable losses have been incurred by the Group and have been recognised as the directors are of the opinion that it is more likely than not these will be available for offset against future taxable profits of the Company or will be recoverable through consortium or group tax relief in the future.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. The deferred tax asset is recognised as the directors are of the opinion that it is more likely than not that there will be suitable taxable profits in the future from which the reversal of the underlying timing difference can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing

1. Statement of accounting policies (continued)

differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Other than where deferred tax is indirectly discounted due to calculations on an already discounted pension liability, deferred tax is measured on a non-discounted basis.

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Pensions

With effect from 31 March 2010, the Group closed the ITN Defined Benefit Pension Scheme to future service accrual. Subsequently the Group provided pensions to all members of staff from 1 April 2010 through a defined contribution stakeholder scheme.

The interest cost and expenses relating to the defined benefit fund which are netted against the expected return on assets are shown as a net amount in other finance costs in the profit and loss statement. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit scheme assets are held separately from those of the Group, in trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. The amounts charged to the profit and loss account for the defined contribution scheme are the contributions payable in the period.

Provisions

In accordance with Financial Reporting Standard 12 "Provisions, Contingent Liabilities and Contingent Assets", the Group's property provisions (see Note 17) have been discounted to the present value of future lease obligations net of estimated sub-lease income and related costs of leasehold property where the space is vacant or currently not planned to be used for ongoing operations.

The Group's Salary security provision (see Note 17) has been discounted to the present value of net payments to staff less any applicable receipts from insurance companies. The periodic unwinding of the discount is treated as an imputed interest charge and is disclosed under interest payable and similar charges. Management make an annual assessment of the appropriateness of the assumptions. Any resulting changes in assumptions are charged within administrative expenses in the profit and loss account.

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are non-recurring material items of income or expense that have been shown separately due to their significance in nature or amount, outside the ordinary course of business.

Notes to the financial statements

Year ended 31 December 2014

2. Parent Company profit and loss account

The Company has taken advantage of the exemption in the Companies Act 2006 S.408 not to present its own profit and loss account. The Company's profit after tax for the year ended 31 December 2014 was £4,467,000 (2013: £4,909,000).

3. Segmental information

The principal activity of the Group is to provide daily scheduled television programmes of international and national news to UK broadcasters. The Group and Company also provide short and long form programming, on-the-day and archive material, digital production services, commercial video production, as well as technical and production facilities to third parties. The Group turnover, by geographical destination and division, is as follows:

Turnover by geographical destination:

	United Kingdom		Rest of the world		Total	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000
News	82,953	81,484	-	-	82,953	81,484
Productions	15,775	11,627	964	-	16,739	11,627
Source	4,977	4,556	7,290	8,162	12,267	12,718
Total	103,705	97,667	8,254	8,162	111,959	105,829

4. Operating profit on ordinary activities before interest and taxation

The profit on ordinary activities before taxation is stated after charging / (crediting):

	2014 £'000	2013 £'000
Depreciation of tangible fixed assets:		
- owned	2,947	3,201
- held under finance lease	131	135
Profit on disposal of fixed assets	(19)	(55)
Operating lease rentals		
- land and buildings	2,803	2,995
Audit and non-audit fees paid to Deloitte LLP		
- Fees payable to Deloitte LLP for the audit of the Company's annual financial statements	66	90
- The audit of the Company's subsidiaries pursuant to legislation	14	14
- Other services relating to taxation	35	67
	115	171

5. Staff costs and directors' remuneration

Staff costs

The average monthly number of persons (including executive directors) employed by the Group during the year was as follows:

	2014	2013
Number of employees	711	705

The costs incurred in respect of these employees were:

	2014 £'000	2013 £'000
Wages and salaries	41,809	40,499
Employers' national insurance costs	4,301	4,113
Employers' pension costs		
- defined contribution stakeholder scheme	3,145	3,050
Total	49,255	47,662

Directors' remuneration

	Total directors' remuneration		Highest paid director	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Salary / fees	713	700	350	350
Annual bonus	494	456	350	315
Pension	30	35	30	35
Other benefits	70	62	34	26
Current year emoluments	1,307	1,253	764	726
Long term incentive plan	-	-	-	-
Total remuneration	1,307	1,253	764	726

The Remuneration Committee, which includes representation of all the shareholders, has put in place a Long Term Incentive Plan for 2013 to 2015, which is based on aggregate operating profit reaching certain thresholds over the period. Payments under the plan, based on the criteria being met, will be made in 2016. The costs of the plan are being accrued within provisions for liabilities and charges (Note 17) over the performance period based on an assessment of likely pay-out.

Notes to the financial statements

Year ended 31 December 2014

6. Profit on exceptional items

	2014 £'000	2013 £'000
Net defined benefit pension scheme settlement gain	-	2,822
Onerous lease provision	-	(540)
Profit on exceptional items	-	2,282

During the year ended 2013 the Company offered the ITN Defined Benefit Pension Scheme pensioners the ability to participate in a pension increase exchange. Due to the magnitude of the settlement gain created it has been classified as an exceptional item. The gain is stated net of associated costs. Refer to Note 18 Pensions for further information. This was offset by a provision of £540,000 in relation to vacant property (Note 17 Provisions).

7. Profit on disposal of fixed asset investment

	2014 £'000	2013 £'000
Disposal of fixed asset investment:		
- cash proceeds on disposal of fixed asset investment	534	2,494
- investment carrying value	-	(1,782)
- directly associated disposal costs	-	(31)
Profit on disposal of fixed asset investment	534	681

On 31 October 2013, the Group sold its investment in Espresso Group Limited for a consideration of £2,494,000 (£2,424,000 received in cash in the year 2013), leading to the recognition of a profit on disposal. In 2013, deferred consideration up to a maximum of £629,000 was held in escrow against any future claims or disputes. This was not recognised due to the uncertainty of receipt. During the year ended 31 December 2014, £534,000 of this deferred consideration was received, and has been recognised as a profit in 2014. There remains a balance of £98,000 in escrow.

8. Income from other fixed asset investments

	2014 £'000	2013 £'000
Dividend received	495	452

9. Interest payable and similar charges / other

	2014 £'000	2013 £'000
Interest payable and similar charges		
Interest on finance leases	13	26
Unwinding of discount on provisions (Note 17)	95	105
Other	1	1
Total	109	132

	2014 £'000	2013 £'000
Other finance costs		
Net finance costs on defined benefit pension scheme (Note 18)	1,611	1,314

10. Tax on profit on ordinary activities

	2014 £'000	2013 £'000
Current tax		
UK Corporation tax at 21.5% (2013: 23.25%) for the year	789	904
Foreign tax	36	48
Adjustments in respect of prior years:		
UK corporation tax	41	130
Total current tax charge	866	1,082
Deferred tax		
Origination and reversal of timing differences	235	(35)
Effect of change in the tax rate	(17)	287
Charge in respect of pension liability	(131)	642
Adjustments in respect of prior years	(143)	(137)
Total deferred tax	(56)	757
Total tax charge on profit on ordinary activities	810	1,839

Finance Act 2013, which was enacted on 17 July 2013, provided for a reduction of the corporation tax rate to 21%, effective from 1 April 2014, and a further reduction to 20%, effective from 1 April 2015. The 20% rate has been reflected in the calculation of deferred tax in these statements.

Notes to the financial statements

Year ended 31 December 2014

10. Tax on profit on ordinary activities (continued)

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 21.5% (2013: 23.25%). The current tax charge (2013: charge) for the year was less than 21.5% (2013 was less than 23.25%) for the reasons set out in the following reconciliation:

	2014 £'000	2013 £'000
Group profit on ordinary activities before tax	5,041	6,604
Tax on group profit on ordinary activities at standard tax rate	1,084	1,535
Effects of:		
Expenses not deductible for tax purposes	17	(29)
Non-taxable income	(209)	(174)
Depreciation less than capital allowances	(140)	(40)
Short term timing differences in respect of exceptional items	-	(590)
Other short term timing differences	82	20
Utilisation of tax losses brought forward	(46)	(26)
Tax losses carried forward	9	219
Adjustments to tax charge in respect of previous periods	41	130
Foreign tax	28	37
Total current tax charge	866	1,082

11. Tangible fixed assets

Group and Company	Fixed plant and equipment £'000	Office and technical equipment £'000	Motor vehicles £'000	Assets under construction £'000	Total £'000
Cost					
At 1 January 2014	6,599	42,524	860	573	50,556
Additions	30	1,255	-	1,903	3,188
Completed Assets	137	436	-	(573)	-
Disposals	-	(1,272)	(183)	-	(1,455)
At 31 December 2014	6,766	42,943	677	1,903	52,289
Depreciation					
At 1 January 2014	5,521	35,828	627	-	41,976
Charged in year	246	2,729	102	-	3,077
Disposals	-	(1,270)	(174)	-	(1,444)
At 31 December 2014	5,767	37,287	555	-	43,609
Net book value					
At 31 December 2013	1,078	6,696	233	573	8,580
At 31 December 2014	999	5,656	122	1,903	8,680

Included above is Office and technical equipment held under finance leases amounting to a net book value of £228,000 (2013: £430,000).

Notes to the financial statements

Year ended 31 December 2014

12. Fixed asset investments

Group

Cost and net book value	Subsidiary undertakings	Other investments	Total
	£'000	£'000	£'000
As at 1 January 2014	-	500	500
Share of associate undertaking losses	-	(43)	(43)
As at 31 December 2014	-	457	457

As at 31 December 2014 the Group held the following investments all of which are registered in England and Wales:

Group Investments

	Investment	Nature
ITN Archive Limited	100%	Sale of archive material
ITN Radio Investments Limited	100%	Holding company
ITN Radio Limited	100%	Holding company (indirect)
ITN Education Investments Limited	100%	Holding company
Viewpoint News Limited	100%	Social media news
Independent Radio News Limited	19.7%	Production of radio programming (indirect)
Diagonal View Limited	49%	Provision of digital videos
Digital Care Social Enterprise limited	50%	Provision of healthcare clips

Company

Cost and net book value	Subsidiary undertakings	Other investments	Total
	£'000	£'000	£'000
As at 1 January 2014 and 31 December 2014	-	490	490

Please refer to the group investments table above for the investments held as at 31 December 2014. The share in Independent Radio News Limited is held by ITN Radio Limited, which is a 100% subsidiary of ITN Radio Investments Limited.

13. Debtors

	Group		Company	
	2014 £'000	2013 restated £'000	2014 £'000	2013 restated £'000
Trade debtors	13,841	11,976	13,627	10,928
Other debtors	1,044	1,494	977	1,224
Deferred tax	1,828	1,903	1,828	1,903
Amounts owed by subsidiary undertakings	-	-	552	1,332
Amounts owed by Shareholders	714	523	714	523
Prepayments and accrued income	5,006	5,383	4,979	5,334
Total	22,433	21,279	22,677	21,244

All debtors other than deferred tax are recoverable within one year. Part of the shareholder loan to Diagonal View Limited of £310,000 (2013: £314,000) included in other debtors has been provided for.

The deferred tax asset is recognised as the Directors are of the opinion that it is more likely than not that there will be sufficient taxable profits in the foreseeable future to utilise the losses.

Deferred tax

	£'000
At 1 January 2014	1,903
Debited to profit and loss account	(218)
Prior year adjustment	143
At 31 December 2014	1,828

Deferred taxation is analysed as follows:

	2014 £'000	2013 £'000
Depreciation in excess of capital allowances	1,234	1,318
Other short-term timing differences	270	161
Tax losses	324	424
Total	1,828	1,903

Notes to the financial statements

Year ended 31 December 2014

14. Stock and Work In Progress

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000

Contract work in progress	1,025	521	1,025	521
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The work in progress above relates wholly to production costs where the programme or series of programmes is not yet ready for delivery.

15. Creditors: amounts falling due within one year

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000

Obligations under finance leases and hire purchase contracts	118	223	118	223
Trade creditors	2,038	1,102	2,038	1,102
Social security & other taxes	1,334	1,270	1,334	1,270
Other creditors	2,310	3,064	2,275	3,018
Accruals and deferred income	23,053	23,427	22,445	22,642
Total	28,853	29,086	28,210	28,255

16. Creditors: amounts falling due after more than one year

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000

Obligations under finance leases and hire purchase contracts	-	118	-	118
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Obligations under finance leases and hire purchase agreements are repayable as follows:

	2014 £'000	2013 £'000
Group and Company		
Within one year	118	223
Between two and five years	-	118
Total	118	341

17. Provisions for liabilities

Group and Company	Property £'000	Salary related £'000	Total £'000
At 1 January 2014	2,577	1,052	3,629
Utilised during the year	(747)	(165)	(912)
Unwinding of discount on provisions (Note 9)	64	31	95
Charged in the year	177	432	609
At 31 December 2014	2,071	1,350	3,421

The property provision relates to a property which is vacant and sublet at a loss. The provision covers the shortfall. Salary related provisions represent amounts in respect of Salary Security and in respect of a Long Term Incentive Plan.

18. Pensions

The Group closed the ITN Defined Benefit Pension Scheme to future accrual, with effect from 31 March 2010. Subsequently, the Group provided pensions to all members of staff from 1 April 2010 through a defined contribution stakeholder scheme.

The pension cost and related provision are assessed in accordance with the advice of a professionally qualified actuary on a triennial basis. The latest actuarial valuation was as at 31 December 2011 and used the projected unit method. The 2014 valuation is not available at the signing of these financial statements. For 2015, the Group is expected to make a maximum contribution as part of the 2011 Pension Recovery Plan of £6.2 million (2013: £4.0 million) which includes Scheme expenses and Pension Protection Fund Levy.

During the year ended 31 December 2013, the Company offered scheme pensioners the ability to participate in a pension increase exchange. As a result of this exercise there was a one-off exceptional settlement gain of £3.1 million. This was disclosed as an exceptional gain within operating administration costs net of associated costs (£0.3 million).

The major financial assumptions used to calculate the present value of scheme liabilities under FRS 17 are:

	2014	2013	2012	2011	2010
Inflation	2.80%	3.20%	2.70%	3.00%	3.40%
Rate of increases in salaries	-	-	-	-	-
Rates of increase of pensions in payment	2.70%	3.10%	2.70%	3.00%	3.40%
Rate of increase for deferred pensioners	1.70%	2.20%	2.00%	2.00%	2.90%
Discount rate	3.70%	4.60%	4.50%	4.90%	5.40%
Expected return on scheme assets (1)	5.57%	5.69%	5.82%	6.84%	7.03%

For mortality rates, the Company has used SAPS tables, with probabilities of death reduced by 10% for males and unreduced for females, with an allowance for future improvements in line with the CMI 2014 projections with a long term improvement rate of 1% p.a. Following the finalisation of the 31 December 2011 Triennial Valuation, the proportion of married at retirement assumption was adjusted in 2013 to reflect the valuation assumption of 80% for

Notes to the financial statements

Year ended 31 December 2014

18. Pensions (continued)

males and 70% for females with any change in calculation reflected in actuarial gains and losses.

Note: This refers to the expected rate of return on assets as at the beginning of each period presented. The overall expected rate of return on the Scheme assets has been based on the average expected return of each asset class, weighted by the amount of assets in each class.

The employee benefit obligations of the scheme were:

	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m
Present value of funded obligations	(421.8)	(392.7)	(390.5)	(367.6)	(341.9)
Present value of unfunded obligations	-	-	-	-	-
Fair value of scheme assets	323.3	312.3	301.7	285.2	282.4
Deficit in the scheme	(98.5)	(80.4)	(88.8)	(82.4)	(59.5)
Related deferred tax asset	19.7	16.1	20.4	20.6	16.1
Net pension liability	(78.8)	(64.3)	(68.4)	(61.8)	(43.4)

Assets in the plan as a percentage of total plan assets:

	2014	2013	2012	2011	2010
Equities	55%	46%	50%	49%	64%
Bonds and gilts	38%	42%	45%	45%	29%
Other	7%	12%	5%	6%	7%

Expected rate of return at the start of the period were:

	2014	2013	2012	2011	2010
Equities	7.80%	6.90%	7.00%	7.95%	8.25%
Bonds and gilts	3.75%	4.40%	4.90%	4.57%	5.26%
Other	3.18%	5.20%	5.25%	6.10%	3.42%

Profit and loss impact:

	2014	2013	2012	2011	2010
Current service cost	-	-	-	-	-
Expected return on pension assets	(16.1)	(15.9)	(15.2)	(17.7)	(18.1)
Interest on pension scheme liabilities	17.7	17.2	17.7	18.1	18.2
Gain on settlement	-	(3.1)	-	-	-
Charge / (Credit)	1.6	(1.8)	2.5	0.4	1.8

18. Pensions (continued)

Amount recognised in the statement of total recognised gains and losses:

	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m
Net actuarial losses / (gains) recognised in year	21.2	(0.4)	8.1	26.8	4.0
Net cumulative actuarial losses	103.4	82.2	82.6	74.5	47.6

Actual return on plan assets

	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m
Actual return on plan assets	20.7	17.8	25.2	11.0	29.2

Reconciliation of present value of plan liabilities and assets

	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m
Change in the present value of the defined benefit obligation					
Opening defined benefit obligation	392.7	390.5	367.6	341.9	321.0
Service cost	-	-	-	-	1.7
Interest cost	17.7	17.2	17.7	18.1	18.2
Contribution by plan participants	-	-	-	-	0.3
Gain on settlement	-	(3.1)	-	-	-
Actuarial losses	25.8	1.5	18.1	20.2	15.0
Benefits paid	(14.4)	(13.4)	(12.9)	(12.6)	(14.3)
Closing defined benefit obligation	421.8	392.7	390.5	367.6	341.9
	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m
Change in the fair value of plan assets					
Opening fair value of plan assets	312.3	301.7	285.2	282.4	264.4
Expected return	16.1	15.9	15.2	17.7	18.1
Actuarial gains / (losses)	4.6	1.8	10.0	(6.6)	11.0
Contribution by employer	4.7	6.3	4.2	4.3	2.9
Contribution by plan participants	-	-	-	-	0.3
Benefits paid	(14.4)	(13.4)	(12.9)	(12.6)	(14.3)
Closing fair value of plan assets	323.3	312.3	301.7	285.2	282.4

Notes to the financial statements

Year ended 31 December 2014

18. Pensions (continued)

	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m
History of experience gains and losses					
Defined benefit obligation	(421.8)	(392.7)	(390.5)	(367.6)	(341.9)
Plan assets	323.3	312.3	301.7	285.2	282.4
Deficit	(98.5)	(80.4)	(88.8)	(82.4)	(59.5)
Experience adjustments on plan liabilities - gains / (losses)	3.3	(0.2)	(3.1)	(22.0)	-
Experience adjustments on plan assets - gains / (losses)	4.6	1.8	10.0	(6.6)	11.0

19. Called-up share capital

At 31 December 2014 and 2013 the Company had 15,400,000 authorised ordinary shares of £1 each.

Group and Company	2014 £'000	2013 £'000
Authorised, allotted, called-up and fully-paid:		
400,000 ordinary shares of £1 each	400	400

20. Reserves

Profit and loss account	2014	
	Group £'000	Company £'000
At 1 January 2014	(58,050)	(57,906)
Retained profit for the year	4,231	4,467
Net gains and losses relating to pension scheme	(16,883)	(16,883)
At 31 December 2014	(70,702)	(70,322)

21. Reconciliation of movement in shareholders' deficit

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Shareholders' deficit at 1 January	(57,650)	(60,357)	(57,506)	(60,357)
Retained profit for the year	4,231	4,765	4,467	4,909
Net gains and losses relating to pension scheme	(16,883)	(2,058)	(16,883)	(2,058)
Shareholders' deficit at 31 December	(70,302)	(57,650)	(69,922)	(57,506)

Shareholders' deficit are all equity interests.

22. Reconciliation of operating profit to net cash inflow from operating activities

	2014 £'000	2013 £'000
Operating profit	5,757	7,240
Exceptional settlement gain	-	(3,077)
Depreciation charge	3,077	3,336
Profit on disposal of tangible fixed assets	(19)	(55)
(Increase) in debtors	(1,879)	(2,344)
(Decrease) / increase in creditors	(128)	735
(Decrease) / increase in provisions	(304)	791
Incremental Company pension contributions in excess of that charged to operating profit	(4,699)	(6,276)
Net cash inflow	1,805	350

All activities are continuing.

Notes to the financial statements

Year ended 31 December 2014

23. Reconciliation of movements in net funds

	2014 £'000	2013 £'000
(Decrease) / increase in cash in the year	(465)	568
Cash outflow reducing obligations under finance leases	223	222
Change in net funds resulting from cash flows	(242)	790
Movement in net cash for the period	(242)	790
Net funds as at 1 January	8,268	7,478
Net funds as at 31 December	8,026	8,268

	1 January 2014 £'000	Cash flows £'000	31 December 2014 £'000
Cash at bank and in hand	8,609	(465)	8,144
Obligation under finance leases	(341)	223	(118)
Net funds	8,268	(241)	8,026

24. Guarantees and other financial commitments

(a) Capital Commitments

Group and Company	2014 £'000	2013 £'000
Contracted for but not provided for	576	234

(b) Operating lease commitments

At 31 December 2014 the Group and Company had minimum annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	Group £'000	Company £'000	Group £'000	Company £'000

2014

Operating leases which expire:

Within one year	-	-	-	-
Between two and five years	-	-	-	-
After more than five years	3,087	3,087	1,340	1,340
Total	3,087	3,087	1,340	1,340

2013

Operating leases which expire:

Within one year	-	-	-	-
Between two and five years	-	-	-	-
After more than five years	3,256	3,256	1,340	1,340
Total	3,256	3,256	1,340	1,340

The lease commitments in respect of land and buildings are subject to upwards only rent reviews at various intervals specified in the leases.

Notes to the financial statements

Year ended 31 December 2014

24. Guarantees and other financial commitments (continued)

(c) Minimum guarantee commitments

The Group has one contract (2013: one contract) where it has minimum guarantee commitments relating to the sale of archive material. This contract totals £600,000 (2013: £700,000).

	Minimum guarantee commitments £'000
Expiring within one year	600
Expiring between two and five years	-
Total	600

(d) Pension Fund security

Significant assets have been provided as security to the ITN Pension Scheme in support of the recovery plan agreed with the Trustees to address the funding deficit. An amount relating to the remaining Espresso deferred consideration was paid across at the start of 2014 prior to being received from the purchaser of Espresso, releasing the charges over the assets associated with the Company's shareholding in Espresso Group Limited.

25. Related party transactions

The Group enters into a number of transactions in the ordinary course of business with its shareholders, associated undertakings and other investments.

At 31 December 2014, the shareholders were (either directly or via subsidiaries):

ITV plc	40%
Daily Mail and General Trust plc	20%
Thomson Reuters Corporation	20%
UBM plc	20%

The Group made sales of £49,245,000 (2013: £48,853,000) to shareholders or entities controlled by shareholders in respect of the supply of news programming, facility sales, rental income and other archive programming. The Group made purchases of £3,328,000 (2013: £3,388,000) from shareholders in respect of the supply of news agency and other services.

The following amounts are included within the balance sheet in respect of trade with shareholders:

Shareholder balance sheet items	2014 £'000	2013 £'000
Debtors	4,813	4,409
Other debtors	967	966
Trade creditors	210	-
Other creditors	114	190

The Group made sales of £229,881 (2013: £991,000) to other investments held during the year (Note 12) in respect of the supply of on the day and archive content, programming, rental income, management and support fees. The Group made purchases of £18,000 (2013: £nil) from other investments held during the year (Note 12) in respect of the supply of news agency and other services.

The following amounts are included within the balance sheet in respect of trade with other investments:

Other investments balance sheet items	2014 £'000	2013 £'000
Debtors	293	347
Other debtors	-	227
Trade creditors	3	-

Notes to the financial statements

Year ended 31 December 2014

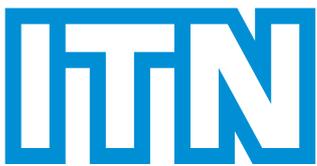
Five year consolidated summary

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Turnover	111,959	105,829	108,739	98,207	96,249
Operating profit before exceptionals	5,757	4,958	3,735	2,319	942
Operating profit exceptional items	-	2,282	-	-	-
Operating profit after exceptional items	5,757	7,240	3,735	2,319	942
Net financial expense	(1,207)	(981)	(2,183)	(11)	(546)
Profit on disposal of investments	534	681	-	-	-
Share of profit in joint venture / associates	(43)	(336)	-	-	-
Profit on ordinary activities before taxation	5,041	6,604	1,552	2,308	396
Tax charge on ordinary activities	(810)	(1,839)	(464)	(763)	61
Profit for the financial year	4,231	4,765	1,088	1,545	457



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