

A photograph of a news control room. In the foreground, a man is seen from behind, sitting at a desk with two large computer monitors. The desk is cluttered with a telephone, a keyboard, and various cables. The background is a wall of monitors. Some monitors show news feeds, including a man in a suit, a woman, and a fire. Other monitors show technical information like time, clock, and camera feeds. A red 'MIC LIVE' sign is visible at the top right.

ITN

2015

Annual Report

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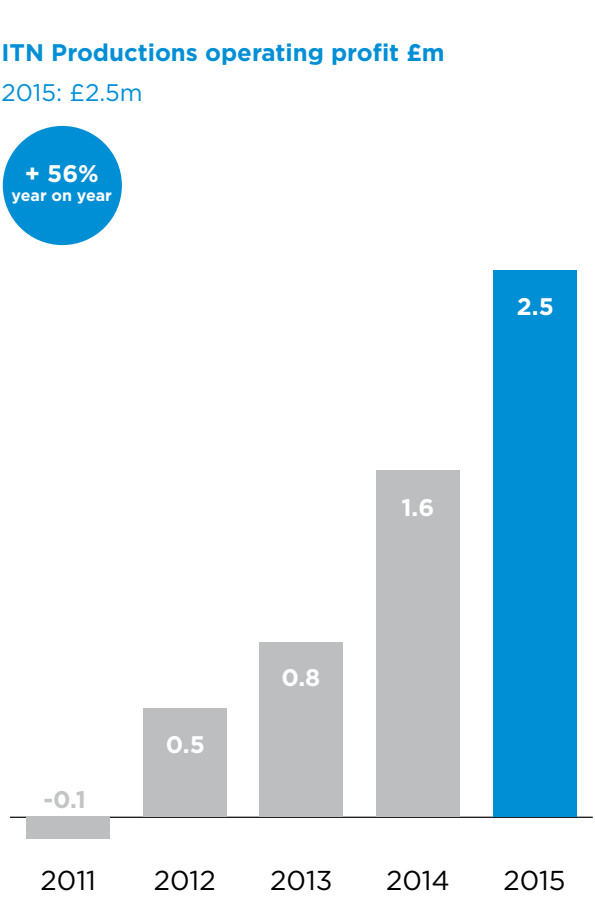
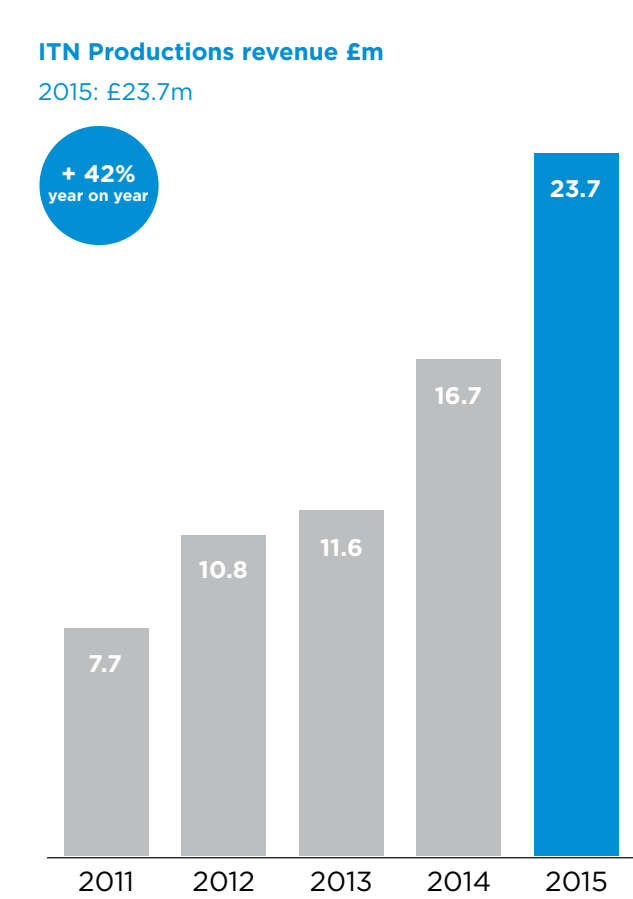
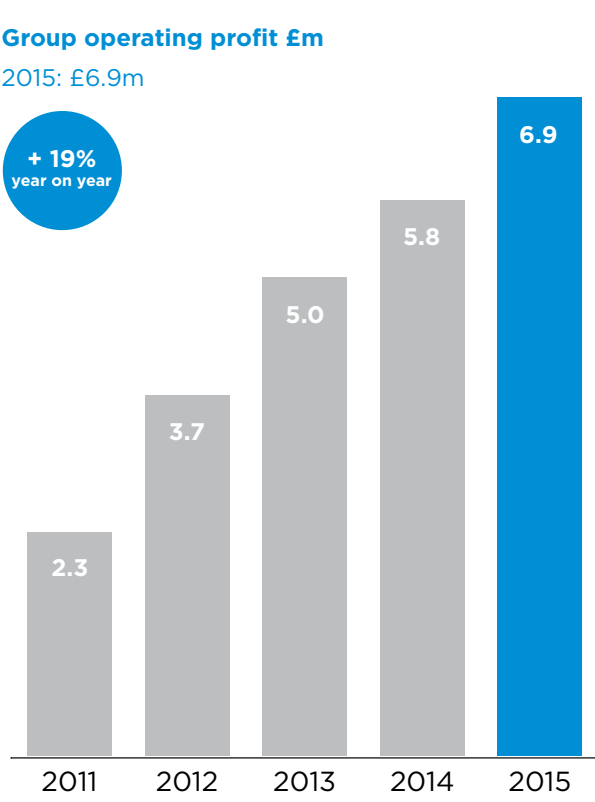
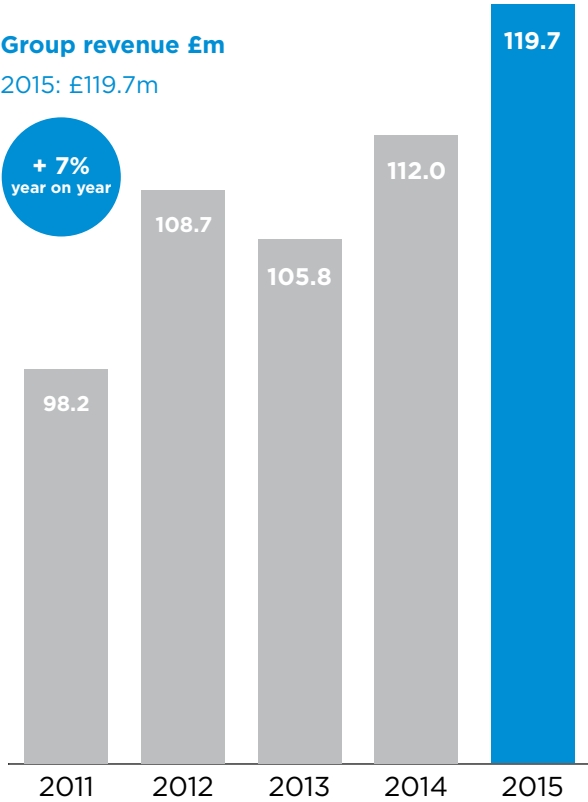
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AT A GLANCE



33
Broadcast
television
commissions

News programmes
watched by up to
10 million
every day

25
Commercial
campaigns
produced

More than
1800
Football
League
matches filmed
per season



OUR
BUSINESS

ITN PRODUCTIONS

ITN Productions is one of the biggest independent production companies in the UK, producing bespoke content for broadcasters, businesses, brands, rights holders and digital channels.

2015 has been an outstanding year for ITN Productions, reporting record revenue, up £7m on last year, and with key deals in sport and commercials and strong growth in the US. All its diverse business activities are driven by the core ITN values of speed, storytelling, quality, and connectivity.

Its TV programme commissions have won both critical acclaim and commercial success and it continues to dominate the awards scene; 'Dispatches' Children on the Frontline won seven major awards including two BAFTAs, an International Emmy, and a Peabody Award.

ITN Productions makes primetime ratings hits like Caught on Camera for ITV and On Benefits for Channel 5, as well as current affairs programmes for Channel 4's Dispatches and observational documentary Gordonstoun: A Different Class for Sky 1. International commissions included Measuring Evil for A+E, and a second series of Killer Instinct with Chris Hansen for Discovery ID.

A key player in sports production, ITN Productions won a multi-million pound three-year deal with the Football League to film, edit and deliver footage from every match. Between August and the end of the year it delivered 220 hours of Football League footage. Nickelodeon commissioned ITN Productions to co-produce Nick Kicks, a Football League show for children. This activity built on contracts with News UK to provide clips for Sun Goals and The Times and Sunday Times.

Regularly working with some of the biggest primetime talent on British TV, the commercials division has formed a key partnership with ITV as the production partner for the offering AdVentures, which brings together talent, production, distribution and promotion. Through AdVentures, Suzuki signed Britain's biggest TV sponsorship deals outside of sport starring Ant and Dec and shown during ad breaks of Saturday Night Takeaway.

The branded content division, increasingly aligned with commercials, launched Realtime Studios – a white label offer to create regular topical online content for brands. Clients include Thomas Cook, NatWest and Barclays and campaigns reported huge engagement figures on these projects.

Post-production is a critical part of the business and all ITNP post-production is done in-house – the result of continuing investment in infrastructure. In 2015 our post-production team delivered 1143 films or 129.7 hours of content ranging from TV programmes, commercials, corporate films and branded content.



Above: Burnley's Andre Gray powers through the Bolton defence. ITN Productions is the official production partner for the Football League.

Below: award-winning documentary, *Dispatches: Escape from ISIS*.



FILMING THE FOOTBALL LEAGUE

Raj Mannick
Head of Sport and Digital

1813 games a season, 650+ hours of content produced across five competitions with over 100 ITN people actively involved – the Football League production contract has staggering numbers.

The key to delivering this contract successfully was to invest in our infrastructure and consolidate our remote production capability.

While the sport team swotted up on the lower echelons of English football, our technology team were busy implementing the latest in cloud production. This has moved our business away from linear delivery to a dark fibre digital world, where speed and reliability are key.

And this investment has paid off: from day one the project has been a success. The huge volume of highlights are now available for broadcasters more quickly than ever before.



Pictured left: *Club 18-30* TV branded content for Thomas Cook.

Left bottom: ITV's *The Agenda* with Tom Bradby

Below: *Killer Instinct* with Chris Hansen, renewed for a second series by Discovery ID.



ITV NEWS

ITV News secures the big exclusives, giving balanced reporting and 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 co-presented by Mark Austin and Mary Nightingale on ITV Evening News at 6.30pm and anchored by Tom Bradby or 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's range of specialists including Robert Peston, Penny Marshall, Rageh Omaar, Allegra Stratton, Rohit Kachroo, James Mates, Rachel Younger, Alok Jha, 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, 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 Royal Television Society Journalism Awards, including a fourth successive Home News award for investigative coverage of the Thomas Cook crisis and Presenter of the Year for Julie Etchingham – the third in a row for an ITV News anchor.

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 livestream of news, multimedia stories, video clips, original content and blogs through the ITV News app and social media pages.

Above: News at Ten anchor Tom Bradby

Right: ITV News political editor Robert Peston



REINVENTING A NATIONAL INSTITUTION



Alex Chandler
Senior Programme Editor
ITV News at Ten

When dealing with a programme as well loved and as illustrious as News at Ten there is an inevitable nervousness about making changes.

But the team behind its revamp had a very clear remit - to build on the best of the programme, and draw on its heritage; to adapt its voice and get it talked about, once more part of our national conversation.

There were immediately some key ideas - bringing back the 'News at Ten' sign off, getting even more out of our specialist talent, and involving the presenter each day in a report or set piece that would add depth to coverage.

When News at Ten returned to its slot in 2008 the world was a very different place. The internet wasn't the key source of information for a generation of people, smart phones were a thing of the future and Twitter was in its infancy. Wind on, and by 10pm now a sizeable number of our viewers already know much of the day's events. So the programme's aim, more than ever before, is to put those events into context and fill in the gaps.

Authority and personality quickly became watchwords for the project and we looked at ways to deliver them, in the studio and with new graphic devices. It was important that the style of the programme remained unmistakably ITV News - with mass audience appeal, focused on great story telling with stylish use of pictures, and, above all, people-driven.



Above left: Julie Etchingham films a special report on trafficking in Nigeria.

Below left: ITV News London anchor Nina Hossain

CHANNEL 4 NEWS

Passionate, investigative, humanitarian. Channel 4 News doesn't just report the news, it interrogates it and shakes it up.

An uninhibited public-service, we produce engaging news and analysis for people who want to know 'why?'. 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.

ITN has produced Channel 4 News ever since its inception in 1982. The programme is broadcast live at 7pm every weekday, with shorter bulletins at varying times over the weekend.

The inimitable Jon Snow is joined by fellow anchors Cathy Newman, Krishnan Guru-Murthy, Matt Frei and Jackie Long. They are supported by a roster of award-winning journalists including Alex Thomson, Lindsey Hilsum, Kylie Morris, Gary Gibbon, Siobhan Kennedy, Jonathan Rugman and Michael Crick.

Ever risk-taking in its high-impact, agenda-setting journalism, Channel 4 News is consistently lauded for going beyond the headlines to fearlessly tackle the stories that often go unreported elsewhere. With a longer format it's able to develop stories in-depth, dig behind the headlines, conduct probing interviews and discuss the news at length with live studio guests.

Much of the journalism produced by Channel 4 News's specialist correspondents has real impact, whether cited regularly in Parliament or leading to formal public inquiries. The impact of some of its stories have been on a national and global level and ranges from front-page scoops to rolling coverage across days or weeks.

Online, Channel 4 News has an ever-expanding reach. During 2015 its videos had half a billion views on Facebook, with 'likes' more than trebling from 300,000 to over 1 million, with two thirds coming from under 35 year olds.

2015 in numbers

- Reached 40 million people
- Produced 59 independent films
- Conducted 26 in-depth investigations
- Broadcast 238 hours of in-depth news
- Set a new record of 28 award wins



Clockwise from above: (l-r) Jackie Long, Krishnan Guru-Murthy, Matt Frei, Jon Snow, and Cathy Newman.

International editor Lindsey Hilsum reports on the refugee crisis.

Political editor Gary Gibbon talks to chancellor George Osborne.

Chief correspondent Alex Thomson in Calais.



TAKING THE AUDIENCE ON A JOURNEY



Jon Laurence
Digital Editor
Channel 4 News

Our Two Billion Miles project was developed in response to the largest mass movement of people since the Second World War. The interactive video story re-purposes two years of original on-the-ground broadcast reporting to present users with the real choices that refugees and migrants face at every stage of their perilous journeys in Europe, the Middle East and Africa.

Two billion miles is actually a quite conservative estimate of the collective distance travelled by the 700,000 people seeking asylum in Europe over the last year. We wanted to put the viewer in the shoes of those making that journey.

It's been one of the stories which has dominated 2015, and for us the risk throughout the year has been that viewers will tire of the refugee crisis despite the importance of the story and the drama of the pictures. Two Billion Miles is a compelling reminder of the continuing importance of the story and of the real choices that people face to find safety and security in Europe.

Unlike most interactive features, and unusual among video formats, it works natively on iPhone, iPad, and most modern smartphones. By using captions and subtitles throughout, it's a mobile-first experience designed for a younger audience that may not have seen as much of the migrant crisis as television viewers.

Two Billion Miles has received a hugely positive response from within the educational community, as well as widespread praise from aid workers and other journalists who have experienced the crisis first-hand across Europe.

twobillionmiles.com



5 NEWS

Since its launch in 1997 by ITN, 5 News has taken an innovative approach to television news.

5 News focuses on the domestic news agenda that affects its early evening audience, but works hard to make foreign news stories relevant and engaging to those viewers too.

Editor Cristina Nicolotti Squires leads a team that produces distinctive national news programmes from Monday to Friday at 5pm and 6.30pm, attracting an average of 5.4m viewers per week.

This year former BBC newsreader Sian Williams, whose career spans 30 years of broadcasting expertise, was recruited as the new presenter of 5 News at 5. She brings her considerable experience and warmth to the flagship news programme of the day.

Meanwhile Matt Barbet presents 5 News Tonight at 6.30pm, focusing on interviews with those at the heart of the day's stories.

The highly experienced on-screen reporting team includes political editor Andy Bell, chief correspondent Tessa Chapman, Peter Lane, Simon Vigar, Cathy Jones and Julian Druker.

5 News has a history of exploring topics and issues that speak directly to the real experiences of its audience. An in-depth investigation into the NHS in Crisis was nominated for an RTS Award in the Home News category, and a campaign on organ donors highlighted the plight both of those desperate for new hope and those having to make the tough decisions to make that gift of life.

And some deep digging on how those with mental health issues struggle to get the treatment they need drew a strong response from the audience.

Impressive foreign coverage during the Syria refugee crisis saw Julian Druker and team travel from Turkey through Europe following the route taken by many of those fleeing from war.

Meanwhile, 5 News brought the General Election to the public in inimitable style. As the politicians argued, Peter Lane took a Union Jack Mini around Britain to find out what people wanted from the parties.

Clockwise from top: 5 News at 5 presenter Sian Williams.

5 News Tonight presenter Matt Barbet.

Health correspondent Cathy Jones files a report.

Simon Vigar interviews HRH Prince Harry.



GIVING OUR VIEWERS A VOICE



Ben Wickham
Studio Director
5 News

The longest running General Election campaign in recent history provided us with a real challenge. How to engage an audience not that into politics, but who are such an important part of the electorate.

Over an evening of beer and pizza, the 5 News team came up with a number of ideas. As well as listening to the politicians, we needed to make sure the voice of the people, our audience, was heard loudly too. And we needed something to give the long campaign a bit of life.

So we came up with the idea of putting Peter Lane and his cameraman into a Union Jack branded Mini and sending them on a road trip round Britain. We also decided we'd take the show to the viewers one day each week of the campaign.

We wanted a "roadshow" feel to our coverage and I wanted to source an achingly trendy Airstream vintage caravan to use as a mobile studio. So as well as making plans to welcome the prime minister into the 5 News studio for a live Q and A with our viewers, I was ordering 5 News election branding stickers for the van, and reccing locations from which we'd present the show.

It was a whirlwind of a campaign. We presented from car parks, high streets and windy Scottish landmarks, with a roadshow audience as well as the one on the box. After six long weeks I was quite sad to wave the old van goodbye.



ITN SOURCE

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

ITN Source News 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. Building on our expertise from the London Olympics in 2012 and Commonwealth Games in Glasgow in 2014, Source News has begun preparations for the myriad of demands from international clients for the Olympics in Rio in 2016.

Day to day, ITN Source News syndicates ITN's award-winning content to global clients, providing either highlights packages of key stories of the day, or a more comprehensive service including reporter packages that integrate ITN content into other news programmes.

An industry leader in content digitisation and preservation of digital material, ITN Source is home to ITN's own archive which dates back to 1955 and which became the UK's first fully digitised news archive. ITN Source also represents the archives of Reuters, ITV Studios, ANI, Fox News and Fox Movietone, and recently signed an additional representation agreement to license China's CCTV+ news archive footage worldwide. As part of ITN Source's ongoing digitisation programme, footage from across Asia has been prioritised for selection, such as the historic footage illustrating key events in Singapore's history to coincide with the nation's 50th anniversary.

In 2015, ITN Source began offering its clients combined packages of archive footage and still images, through a third party distribution agreement which gives clients access to over 10 million editorial pictures.

Footage licensed by ITN Source features in Hollywood films, TV documentaries, educational products, adverts, mobile apps, art installations, corporate productions, music videos and heritage projects around the world. Dating back to 1896, the archive holds more than 2.8million clips.

Following the complete digitisation of ITN's own archive, ITN Source announced a major digitisation project with Reuters to make its historical archive footage far more accessible to producers around the world - making hundreds of thousands of rare and largely unseen news clips digitally available for preview and licensing on itnsource.com.

ITN Source launched its first short film competition in 2015 in association with Sheffield Doc/Fest and AudioNetwork. Filmmakers were challenged to use the archive to make a minute-long film and 71 finished films were submitted of extremely high standard with the winner announced at the festival.



RE-PURPOSING OUR ARCHIVE



Dan Mills
ITNedu Commercial Director

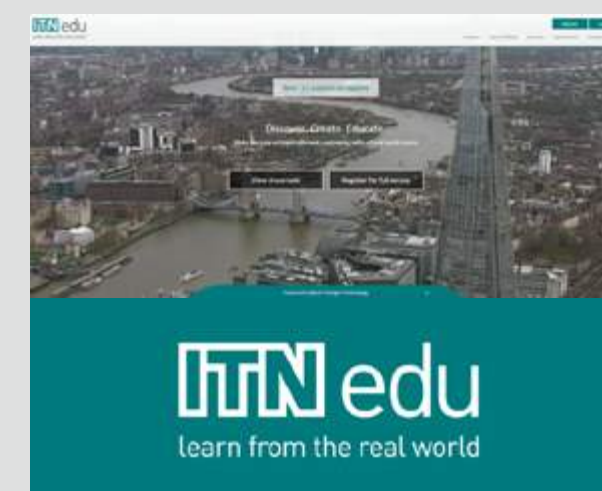
In response to growing demand, we launched ITNedu in the summer of 2015 to make it easier for education publishers and learning providers to integrate video into their products. Using video in the classroom makes lesson content more engaging, relevant and memorable for students.

We've curated subject-specific video clip collections and enlisted the help of teachers to identify appropriate footage from the ITN Source archive.

Working closely with ITN Productions and language teaching experts, we are producing packages that combine high quality production values, compelling archive content and in-house education expertise for unrivalled, authentic video learning.

ITNedu has already attracted the attention of the major publishers and digital reference libraries from Europe and the US. It's a natural evolution for ITN Source, and effective re-purposing of the amazing content ITN produces.

itnedu.com



Clockwise from top: London 2012 Olympics closing ceremony (ITN)

Major Tim Peake awaits lift off to the International Space Station (ITN)

Muhammad Ali at 5th Street Gym, Miami in 1971 (ITN)

The Royal Wedding of Princess Elizabeth to Philip Mountbatten, 1947 (Reuters - Gaumont Graphic)



CHIEF EXECUTIVE'S REVIEW



John Hardie

Chief Executive Officer

“*The last few years have undoubtedly been some of the most successful in the Company's history.*”

A world-class production company.

2015 saw another significant period of achievement for ITN with strong performance across all areas of the business delivering record revenues of £120m in our sixth successive year of operating profit growth.

Our newsrooms once again rose to the challenge of a relentless news agenda with compelling storytelling, trusted analysis and vivid eye-witness reporting from every corner of the globe, bringing innovation both on-screen and in digital. Growth in ITN Productions continued to accelerate with game-changing new deals and commissions, and ITN Source expanded its activities to generate new business in areas such as education and stills licensing.

The last few years have undoubtedly been some of the most successful in the Company's history, producing a huge range of work for an ever-increasing number of clients and exceeding the challenging financial targets we set back in 2010. Thanks to this impressive progress, we have set the bar even higher as we look ahead to 2020 with an even more ambitious growth plan for the next phase of the Company's evolution.

The 2020 Vision sets a number of strategic priorities aimed at achieving revenues of £180m by the end of 2020. It puts a key focus on driving organic growth in our non-TV news business to become more than 50% of Group revenues by 2020 and sees a push in the US to expand our presence five-fold to 10% of the larger ITN. In order to achieve this, we will focus our activities and reorganise into two distinct divisions: Broadcast News and ITN Productions, both delivering growth.

Broadcast News is of course home to our multi award-winning news services for all three commercial Public Service Broadcasters - ITV, Channel 4 and Channel 5. This business continues to be the single largest contributor to ITN's revenues and our name will remain synonymous with the highest-quality broadcast news.

ITN Productions will be made up of four businesses: TV Production; Sports Production; Advertising Production and Digital Content Services. Under the leadership of Mark Browning, the success of ITN Productions has been nothing less than transformative for ITN. This year, the division reported revenues of £24m, up more than 40% on last year's record-breaking £17m. At its inception only five years ago, it had a turnover of just £7m.

In a year of commercial bests, perhaps the most seismic was the deal with the Football League - a three-year, multi-million pound contract to film, produce and edit every game from the Sky Bet Championship, Sky

Bet League 1, Sky Bet League 2, Capital One Cup and Johnstones Paint Trophy matches. That amounts to an incredible 1,813 games per year, making ITN Productions one of the biggest football producers in the world. To do this, we invested heavily in new technology and in 2015 the team delivered 220 hours' worth of footage to our client which was used across multiple platforms. This built upon contracts with News UK to provide clips of Barclays Premier League and Scottish Premier League football, Aviva Premier League rugby, England Cricket and the FA Cup. Our relationship with sports news agency SNTV also remains strong, delivering sports news instantly.

ITN Productions continues to excel in the quality of its broadcast TV programming which totalled 150 hours and 33 commissions for 2015. From a standing start in 2010, ITN Productions is now ranked number 2 in the "True Indies" category according to the most-recent Broadcast Indie Survey. Most notably, its critically-acclaimed *Children on the Frontline* for Channel 4's *Dispatches* scooped seven awards last year, including an International Emmy, two BAFTAs and a Peabody. The chilling *Escape from ISIS*, commissioned by Channel 4 and PBS, was so ground-breaking in its representation of Yazidi women at the hands of ISIS that it was referenced by David Cameron in a speech on terrorism with the director called to give evidence before the US Congress.

The division also consolidated its reputation state-side with its first US series commission *Killer Instinct* with Chris Hansen now recommissioned for a second series after first airing in the summer. This was followed by another series commission by A+E for *Measuring Evil*. Further significant investment is underway in growing our US business in 2016.

Other key programmes show the huge variety of output with *Gordonstoun: A Different Class* for Sky 1, *Sepp Blatter Exposed: The Fall of FIFA* for Channel 5, *Panda Babies* for ITV, along with Channel 4's *Dispatches* and fast turnaround documentaries following the Nepal Earthquake and the Germanwings air disaster.

In the advertising production business, the commercials team has diversified from focusing on fast-turnaround and live content to become one of the key producers for ITV Commercial. Most notably, this included Britain's biggest TV sponsorship deal outside sport with Suzuki, creating ads featuring star duo Ant and Dec shown during commercial breaks in the build-up to the new series of *Saturday Night Takeaway*, as well as producing the sponsorship idents that featured around the show. More than 25 big brand campaigns were completed including near-live ads for Boots and Samsung, a series of 10 films for the National Lottery, live interactive

“*ITN Productions is now one of the biggest football producers in the world.*”

Pictured: ITN is the official production partner of the Football League.



Picture: Richard Sellers / EMPICS Sport

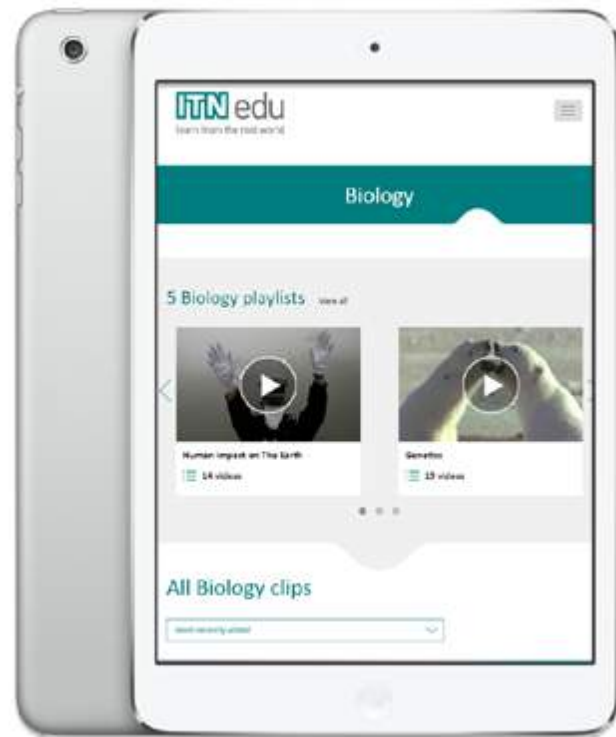
CHIEF EXECUTIVE'S REVIEW

“

ITN Source continues to innovate and diversify, in its fourth successive year of significant profit contribution.

”

Pictured: ITN Source launched ITNedu, a new online video service targeting the digital education sector.



TV ads incorporating Twitter for Nescafe, and topical newsworthy commercials for Barclays that ran during the centre breaks of ITV News at Ten.

The branded content team launched Realtime Studios - a white label offer to create regular topical online content for brands. Clients include Club 18-30 for Thomas Cook, NatWest and Barclays which each saw huge engagement figures and ROI. The team has been at the forefront of branded content innovation producing truly engaging content that showcases personalisation, real-time and interactive capabilities.

Following the huge success of Industry News in the UK, which counts the biggest UK trade associations as repeat clients, the business has expanded into the US to bring its unique news-style programming to associations in the States. This year we worked with one of the US's biggest associations - the American Medical Group Association. Back in the UK, our clients include NHS Alliance, Energy UK, Care England, the Institution of Engineering and Technology, the Chartered Institute of Building and many more.

ITN Productions' strong financial performance is also supported by its vast post-production facility. Ongoing investment means we now have 47 edit suites which saw 1,143 films processed in 2015. The standard of this work has been recognised externally and our post-production team has also worked on six ITV On Assignments and The Queen's Speech as well as three films for Channel 4 News in the last year. The sheer scale of content passing through post-production means we have become one of the largest post-production units in the UK. We will continue to invest in new technology and facilities in this area, building further multi-million pound state-of-the-art post-production facilities in 2016.

ITN Source continues to innovate and diversify, in its fourth successive year of significant profit contribution. Following considerable research and investigation into the digital education sector, last summer ITN launched its first education business, ITNedu, in response to growing demand from publishers. This marks an exciting new way of using ITN Source's vast archive to help make online learning more engaging for students.

The ongoing digitisation project with Reuters continues to make historical archive footage far more accessible to producers and viewers around the world - so far 13,800 hours have been digitised and it should be completed by the end of 2016. Adding to existing archive partners including ITV, Fox News, Fox Movietone and ANI, ITN Source has signed a representation agreement to license CCTV+ news archive footage worldwide. This reflects our increasing presence in Asia and demonstrates our

commitment to serving clients from these markets.

The long-awaited birth of Princess Charlotte saw ITN Source News provide footage to international clients as well as broadcast facilities for their live shots. The team also responded to huge international appetite for General Election footage throughout the campaign as well as providing overnight coverage during the count followed by day two extended live coverage to broadcasters worldwide.

2015 was of course dominated by the race for No 10, with ITN producing election night programmes for both ITV and Channel 4 - a stunning feat. ITN Productions co-produced Channel 4's alternative election coverage, pulling off the tricky high-wire act of adding both humour and insight to one of the most surprising results nights in recent memory, as well as a live series of ITV's Agenda with Tom Bradby and a live Youth Leaders' Debate for All4 to encourage youth engagement.

Royal Television Society Presenter of the Year Julie Etchingham won critical acclaim and impressed eight million viewers who tuned into ITV's leaders' debate as she became the first woman and only journalist to moderate all seven major party leaders in one session.

ITV News's ambition for the General Election was to cut through the policy announcements and make sense of the predictions. Led by Editor Geoff Hill, the newsroom charted the campaign through dedicated target teams. In the lead up to election night, Julie and Tom spent time at home with each of the party leaders to produce intimate profiles for ITV's Tonight programme. And on the big night itself, Tom hosted ITV's Election 2015 with Julie in the studio and Nina Hossain in charge of the Opinion Room.

The Paris attacks and the ongoing refugee crisis saw all of our newsrooms, and those people who support them, demonstrate the best of journalistic endeavour; telling often devastating stories with humility, tact and professionalism, using ITN's full range of skills and storytelling tools. Swift deployments delivered outstanding coverage of the Nepal earthquake and the Germanwings crash, among many other major stories.

ITV News set the agenda on issues at home, from the RTS award-winning run of hard-hitting exclusives on the Thomas Cook scandal to a TV news first with terminally-ill patient Bob Cole, as he made the painful decision to end his life at Dignitas. Further afield, the unrelenting refugee crisis produced consistently bold and distinctive journalism in the field, from being the first broadcaster to report the refugee arrivals on Lesbos to John Irvine's hazardous journey along the road to ISIS-held Raqqa.

“

2015 was dominated by the race for No 10, with ITN producing election night programmes for both ITV and Channel 4 - a stunning feat.

”

Pictured: Cathy Newman and Jeremy Paxman appeared on Channel 4's Alternative Election Night coverage.



CHIEF EXECUTIVE'S REVIEW

“

News at Ten was relaunched in October with Tom Bradby and Julie Etchingham solo-presenting at the helm.

”

Pictured: Tom Bradby was named anchor of ITV News at Ten.



Building on the success of the programme, News at Ten was relaunched in October with Tom and Julie solo-presenting at the helm. The new show draws on News at Ten's heritage, with thoughtful discussion and a new personality-driven style, and is now part of the national conversation once again. Visceral eyewitness reporting on the big stories, exclusive investigations and expert analysis: the hallmarks of a programme which puts people at its heart. News at Ten has demonstrated a commitment to cover the major events of the year with journalistic enterprise and eloquent storytelling, reaffirming its voice: a distinctive, mass audience, daily news programme. In the British Journalism Review, Fleet Street Editor Roger Alton wrote "the two most single important items in daily journalism in this country are the nightly bulletins, and right now by a mile ITV is the best."

2015 also saw some strategic high-profile appointments to bolster the award-winning on-screen team. Replacing Tom Bradby as political editor, Robert Peston signed to ITV News from the BBC, swiftly followed by the recruitment of Newsnight's Allegra Stratton in the newly-created role of national editor.

itv.com/news saw another record-breaking year. User numbers were up 28% year on year, with November 2015 seeing a record number of monthly visits to the site. The new app delivered a further 5m page views a month, and passed half a million downloads. ITV News's strategy is to extend its reach and attract non-TV viewers to the brand. The key accounts on Facebook and Twitter both passed 1m followers.

ITV News videos were viewed over 150m times on Facebook alone and the digital team successfully expanded into Instagram and YouTube. Highlights included the Rate the Debate tool for the election debates, and winning 'Best App' at the Online Media Awards. The team also demonstrated how digital and TV output can work so effectively together with the 'Battle Goes On' and 'Changing Minds' series.

Over at ITV News London, newly-appointed editor Rachel Corp led the team to score a huge success when their investigation into the West London Coroner's Court was referenced during a Westminster Hall Debate in Parliament. Meanwhile, ITV's On Assignment returned for a second series with a strong piece on heroin in the US East Coast which was subsequently commended by the Association for International Broadcasting.

Channel 4 News continued to innovate and hold the powerful to account. There was the damning investigation into Yarl's Wood immigration centre, the first video of Mohammed Emwazi unmasked, and the

undercover probe into workers' conditions at fruit farms supplying some of the country's biggest supermarkets. And, of course, we cheered as the inimitable Jon Snow collected a well-deserved BAFTA Fellowship.

Under editor Ben de Pear, the programme went above and beyond to report from the heart of the refugee crisis. From the beguilingly tranquil waters of the Mediterranean to the murky borders of Macedonia, Serbia and Hungary - the "Dying to Get Here" series told of hope, fear, despair and even occasionally of welcome.

Channel 4 News correspondents spent the year traversing the continent to report on Syria's humanitarian exodus as it began to arrive on the borders of Europe. The team exposed an organised criminal network of people smugglers who kidnapped and extorted money from desperate refugees. A series of remarkable films bore witness to the deadly voyage of thousands of mostly Syrian refugees who washed up daily on the beaches of Lesbos.

The innovation continued in the digital sphere, too, with the magnificent Two Billion Miles interactive web project, and a soaring social media presence which saw Channel 4 News reach a million 'likes' on Facebook. This interactive video story re-purposes two years of original on-the-ground broadcast reporting - to present users with the real choices that refugees and migrants face at every stage of their perilous journeys in Europe, the Middle East and Africa.

In October, Channel 4 News broadcast Faultline Syria, a distinctive hour of TV news at its most raw and insightful, from a team with experience, rigour and compassion. The programme uncovered disturbing evidence of the mass recruitment of children in Syria and Iraq to fight for ISIS. The programme also embedded the artist Richard Mosse aboard the aircraft carrier USS Theodore Roosevelt as the crew conducted round the clock missions to bomb ISIS in Syria and Iraq. The result was a cinematic and mesmerising study of this formidable projection of US power as it takes on a daunting and formidable adversary.

Back in Britain, no other issue dominated the news agenda more than immigration, consistently topping the list of voter concerns. Channel 4 News rose to the challenge of this emotive issue, going behind the headlines to places, and people, rarely or never seen to tackle this story from every conceivable angle.

It displayed a huge range, from undercover investigations into the immigration system and mini observational films in deprived parts of the country to strong on the day news reporting and hard-hitting interviews.

“

A soaring social media presence saw Channel 4 News reach a million 'likes' on Facebook.

”

Pictured: Channel 4 News anchor Jon Snow.



CHIEF EXECUTIVE'S REVIEW

“

5 News has gone from strength to strength, building upon its industry reputation as a programme that reaches viewers that other news outlets do not.

”

Pictured: 5 News political editor Andy Bell follows David Cameron on the General Election campaign trail.



5 News has gone from strength to strength, building upon its industry reputation as a programme that reaches viewers that other news outlets do not. Around 5.4m people tune in every week to our flagship 5 News at 5 programme and 5 News Tonight at 6.30pm.

The start of the year saw celebrations for its 18th birthday with a well-attended party in the Houses of Parliament and a long-term commitment from Viacom, the new owners of Channel 5.

Under Editor Cristina Nicolotti Squires, 5 News has put a renewed focus on exclusive investigations and reporting, looking at key issues that impact viewers such as the NHS and the elderly. This was reflected in the Home News nomination at the Royal Television Society Awards, for the series of investigations NHS in Crisis.

The General Election provided an opportunity for 5 News to do what it does best – bring the issues of the day to the doorstep of the general public and to engage with them on matters that immediately concern them. The political establishment recognised the importance of the programme and David Cameron, Nick Clegg and Ed Miliband all appeared on the show to face not only questions from presenters Emma Crosby and Matt Barbet but from the viewers' themselves, in their own words.

While the team continued to deliver on its traditional remit of domestic stories that are important to its viewers, it also expanded its foreign coverage, culminating in the stunning series, The Desperate Journey, which followed people fleeing Syria every step of the way as they travelled into Europe in search of a better life.

The recruitment of Sian Williams as the main presenter of 5 News at 5pm, a journalist and presenter with more than 30 years' experience in the industry, is a key indication of the commitment that Viacom and Channel 5 have to the programme. Sian's warmth and credibility will enhance the already high quality standards produced.

2015 saw strong progress against our stated goals as we continue to grow, diversify and change. The ambitious targets we have set mean we must be even more successful in the next five years in order to invest in our future and realise the incredible potential ITN can achieve as a world-class production company. There are exciting times ahead as we embark on the next stage of our development and we face the future with increasing confidence and optimism.

CHAIRMAN'S STATEMENT



Geert Linnebank

Chairman

“

Our talented workforce lie at the heart of our success and remain the bedrock of our business.

”

In 2015, we celebrated the sixtieth anniversary of the milestone moment when Sir Christopher Chataway took to the airwaves for our very first broadcast and ITN was officially born.

Over the next six decades, the Company has helped shape the UK news media landscape and earned recognition at home and abroad for its quality, creativity and integrity.

Our journalists have earned a trusted place in households across Britain and beyond – a unique responsibility, and one in which we take the utmost pride.

ITN is changing. Alongside first-class TV journalism, today's ITN is delivering a breadth of output not seen before in its history. It has fast become an industry leader in fields outside of its traditional territory, from advertising to sports production, current affairs to documentaries, and more besides.

ITN's financial results are perhaps the most obvious evidence of the success of our strategy of careful, focused diversification. At £6.9m, our 2015 operating profits before exceptional items were up 19% year-on-year, with an extraordinary three-fold increase over the last five years.

The bridge that connects our proud 60-year heritage to our future is our people. Our talented, entrepreneurial workforce lie at the heart of our success and remain the bedrock of our business.

For our staff, working at ITN continues to be cause for great pride, as was highlighted by an all-staff survey carried out in 2015 which showed employees viewed the Company as consistently delivering world-class content.

We welcomed a first intake of apprentices playing their part in shaping the ITN of the future. ITN remains fully committed to retaining and developing a diverse pool of talent in all areas of the Company, and the new apprenticeship scheme is just one of several initiatives to support this goal. The programme's early success has encouraged the company to repeat it in 2016.

While the past five years have seen a strengthening of almost every aspect of ITN's operations, the Company's continued success depends on repeating and exceeding that performance in order to reach the challenging targets set out in our 2020 Vision.

Everyone in the organisation has had their part to play in the Company's strong performance. On behalf of the Board, I would like to thank all at ITN for their support, commitment and hard work in helping to deliver another year of record results. I would also like to thank Andrew Garard, who completed his term as Chairman in September.

The Board is confident the financial foundations, strong leadership, operational excellence and talented, creative workforce are in place for ITN to pursue the ambitious 2020 Vision objectives, and we are enthusiastic about the prospects for sustainable long-term growth.



OUR
PEOPLE

BOARD OF DIRECTORS



1 JOHN
HARDIE



2 BRYAN
MARTIN



3 GEERT
LINNEBANK



4 MAGGIE
CARVER



5 SIMON
PITTS



6 ANDREW
GARARD



7 GRAHAM
BROWN

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. Geert Linnebank
Chair

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.

4. Maggie Carver

Maggie Carver is Chairman of ITN's Audit Committee and is UBM's representative on the Board. Previously she was Managing Director of Channel Four Racing and Global Broadcast as well as Chairman of SDN Ltd. Maggie has been a non-executive director of Channel Five and programme producer RDF Media alongside eight other companies. She is joint owner of Carvercare and Mobility Group, Chairman of The Racecourse Association, Vice Chairman of the British Board of Film Classification and a non-executive director on the board of the Service, Sound and Vision Corporation and the British Horseracing Levy Board.

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. He was promoted into his current role in January 2011, the main focus of which is to manage ITV's Five Year Transformation Plan. 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. Andrew Garard

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 and 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 and insurance affairs. He has held positions at Reuters Group PLC, Freshfields and Clifford Chance.

7. 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.

EXECUTIVE TEAM



1
GEOFF
HILL



2
BEN
DE PEAR



3
CRISTINA
NICOLOTTI SQUIRES



4
MARK
BROWNING



5
ANDY
WILLIAMS



6
JAMES
SCORER



7
MELANIE
TANSEY



8
BEVAN
GIBSON



9
SARAH
VAUGHAN-BROWN

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. 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 previously held a succession of senior HR roles at IT giant Hewlett Packard, which she joined in 2001.

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. 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.



Pictured: ITN Productions created Gordonstoun, a six-part observational documentary for Sky 1

Strategic report

The directors present the strategic report and financial statements for the year ended 31 December 2015.

Fair review of the business

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 2015, 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 Directors’ Report, 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 increased 19% to £6.9 million (2014: £5.8 million). Profit before tax increased by £0.8 million to £2.8 million (2014 FRS 102 restated: £2.0 million).

Operating businesses

ITN revenues increased by 7% to £119.7 million (2014: £112.0 million). News revenues increased 3% to £85.6 million (2014: £83.0 million) largely due to contractual inflationary increases and special commissions including General Election programming. Revenues from other businesses increased by 18% to £34.1 million (2014: £29.0 million) primarily due to the continued success of the Productions business. Operating profit increased by £1.1 million, led by revenue increases in ITN Productions and sustained careful cost management.

ITN News 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 across ITV, C4 and C5 news programming. 2015 saw some new faces and line-up changes in our news teams to lead it into a new era of exclusive investigative journalism and current affairs programming. Our news programming in 2015 focussed heavily on distinctive coverage of the General Election; the continuing growth of ISIS; the shocking Paris terror attacks; and the ongoing migrant crisis and its global impact. Recognition for the excellence of ITN’s journalism across the board was cemented with a number of awards, including numerous accolades from the Royal Television Society.

Growth in ITN Productions has accelerated in 2015, with revenue growing by 42% to £23.7 million (2014: £16.7 million). In Broadcast there were 33 commissions, including our first US series, Killer Instinct with Chris Hansen for Discovery. Other major programmes included the live Alternative Election Night for Channel 4, Caught on Camera for ITV and observational documentary Gordonstoun: A Different Class for Sky1. The multi-million pound Football League deal puts ITN Productions firmly on the sports production map, spanning 3 years and already delivering 220 hours of footage in the last 5 months of 2015 alone. TV Commercials have produced adverts for Barclays, National Lottery, Samsung, Natwest and Britain’s biggest TV sponsorship deal outside of sport for Suzuki. Branded Content launched Realtime Studios, and Industry News continues its planned expansion into the US.

ITN Source had another solid year under challenging market conditions. Revenue has fallen due to the recognition in 2014 of the last phase of the contract to produce a historical news and film collection for the Qatar Foundation. ITN Source has made progress in generating new business from non-traditional markets such as Museums & Heritage, as well as from licensing still images to the core TV market, through a third party representation agreement with Rex Shutterstock.

Other Items

The Group sold its investment in Espresso Group Limited in the year ended 31 December 2013. This generated further profit on disposal from deferred consideration in 2015 of £0.1 million (2014: £0.5 million). As a result of this disposal, in 2014 (2015: £nil) 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 £0.7 million.

FRS 102 and Pensions

The largest impact of the implementation of FRS 102 was the calculation of finance costs, resulting in a £4.5m charge in 2015. The restated 2014 figure was £4.6m. The finance costs predominantly relate to the closed ITN Defined Benefit Pension Scheme. The accounting deficit on the ITN Pension Scheme at 31 December 2015 increased to £106.2 million (2014: £98.5 million) and further information is provided at Note 22. The triennial actuarial valuation at 31 December 2014 showed a deficit of £98.6m, with a roll forward of assumptions to 31 December 2015 showing a deficit of £107.6m.

Cash management

At 31 December 2015, ITN had £8.4 million of cash, up £0.3 million on the prior year.

Strategic Report Continued

Risk management

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.

Financial Risks

ITN Pension Scheme funding risk

The ITN Pension Scheme has a significant funding deficit as detailed in Note 22 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 2014 Triennial Actuarial Valuation. In addition, the ITN Pension Scheme has been closed to future accrual since 31 March 2010. The Company, in conjunction with the Trustees, continues to evaluate options to reduce the risk further.

Reliance on key contracts

The Company generates a reducing but still 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.

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 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.

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.

Strategic Report

Continued

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.

By order of the Board

JH Scorer
Secretary

Directors' report

The directors present their Annual Report and audited financial statements for the year ended 31 December 2015.

Please note that some of the required FRS102 disclosures in the Director's Report are instead included within the Strategic Report on Pages 36-38, such as future developments and financial risks.

Principal activities

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.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J M Hardie
B R Martin
M A M Carver
G W Linnebank
G R Brown
S J Pitts
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 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. There were two concurrent plans in 2015. One for the three years ended 31 December 2015 which is consistent with the previous Long Term Incentive Plan, and one that started in 2015 for the three years ending 31 December 2017. Further information is provided in Note 7 of the Accounts, Directors' Remuneration.

Results and dividends

The results for the year are set out on page 46.

No interim dividends were paid. The directors do not recommend payment of a final dividend.

Directors' Report

Continued

Financial instruments

Treasury management

The Group operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the Group's activities.

Credit, liquidity and foreign exchange risk and management

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. The Group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business.

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 do expose it to the financial risks of changes in foreign currency exchange rates. There is a degree of operational hedging, with revenues and costs arising in foreign currencies through the operation of the overseas ITN Source and News bureaux and overseas Source and Production sales.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The Group employs 725 employees, and also engages freelancers who are contracted on specific assignments and projects. All individuals are key to the Group's success.

The Group's policy is to communicate openly with employees through regular meetings and briefings, and to consult on and discuss matters likely to affect employee's interests directly, and through employee representatives and unions. Information on matters of concern to employees is given through the intranet site, information bulletins, CEO emails, and reports which seek to achieve a common awareness on the part of all employees of the financial and market factors affecting the Group's performance.

ITN is proud to be a diverse and inclusive place to work and believes that attracting and retaining people from as wide a 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. The Group's Diversity and Inclusion Forum, which is made up of employees from each division who are passionate about diversity and inclusion, oversees a number of initiatives each year to ensure ITN is an inclusive and representative place to work.

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

Auditors

A resolution to appoint the auditor of the Group will be proposed at the forthcoming Board and Audit Committee Meeting.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' Report

Continued

By order of the Board

J H Scorer
Secretary
13th April 2016

Directors’ Responsibilities Statement

For the year ended 31 December 2015

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 Group and parent Company financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102. 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 Group and parent Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group’s and the parent Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent 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 Group and parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 2015 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement Of Financial Position, the Company Statement Of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. 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), including Financial Reporting Standard 102.

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 auditors

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 the parent Company’s affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors’ Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors’ Report.

Independent Auditor's Report (continued)

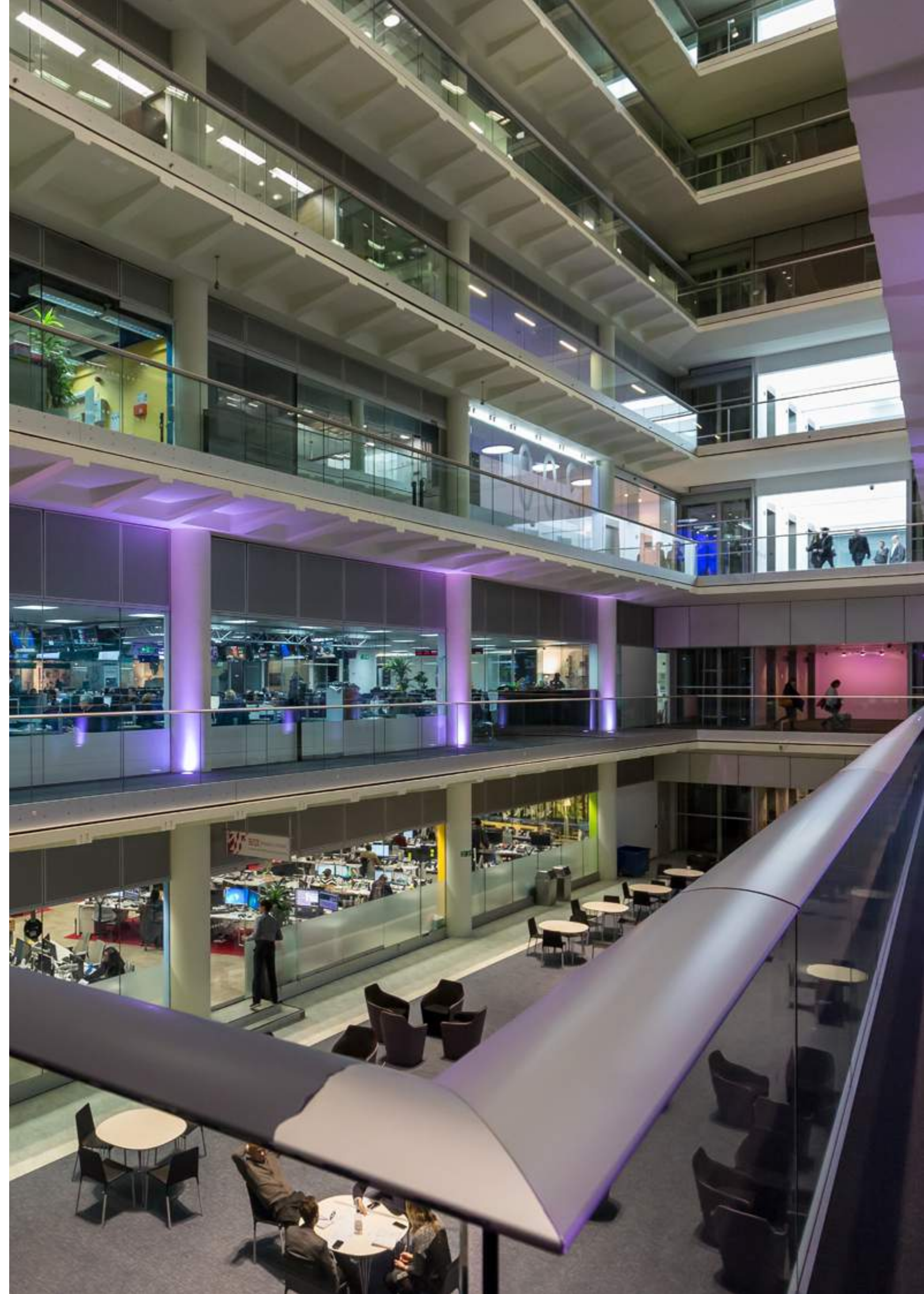
To the members of Independent Television News Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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
13th April 2016



Consolidated Income Statement

For the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Revenue	3	119,681	111,959
Cost of sales		(98,777)	(91,960)
Gross profit		20,904	19,999
Administrative expenses		(14,031)	(14,242)
Operating profit	4	6,873	5,757
Income from other fixed asset investments	8	496	495
Other investment income	8	14	18
Other finance costs	9	(4,615)	(4,725)
Other gains and losses	10	(16)	491
Profit before taxation		2,752	2,036
Taxation	11	(618)	(164)
Profit for the financial year	24	2,134	1,872

The income statement has been prepared on the basis that all operations are continuing operations.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2015

	2015 £'000	2014 £'000
Profit for the year	2,134	1,872
Actuarial loss on defined benefit pension schemes	(9,422)	(18,158)
Tax relating to other comprehensive income	74	3,634
Other comprehensive loss for the year	(9,348)	(14,524)
Total comprehensive loss for the year	(7,214)	(12,652)

Consolidated Statement of Financial Position

As at 31 December 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Property, plant and equipment	12	8,680	8,680
Investments	13	370	457
		9,050	9,137
Current assets			
Inventories	15	1,238	1,025
Trade and other receivables falling due:			
- within one year	16	24,937	21,778
- after one year	16	19,674	20,347
Cash at bank and in hand		8,402	8,144
		54,251	51,294
Current liabilities	18	(31,649)	(28,853)
Net current assets		22,602	22,441
Total assets less current liabilities		31,652	31,578
Provisions for liabilities	19	(2,868)	(3,421)
Net assets excluding pension liability		28,784	28,157
Defined benefit pension liability	22	(106,300)	(98,459)
Net liabilities		(77,516)	(70,302)
Equity			
Called-up share capital	23	400	400
Profit and loss account	24	(77,916)	(70,702)
Total equity		(77,516)	(70,302)

The financial statements were approved by the Board of Directors for issue on 6th April 2016, and are signed on its behalf by:

B R Martin
Director
 13th April 2016
 Company Registration No. 00548648

Company Statement of Financial Position

As at 31 December 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Property, plant and equipment	12	8,680	8,680
Investments	13	502	490
		9,182	9,170
Current assets			
Inventories	15	1,238	1,025
Trade and other receivables falling due:			
- within one year	16	25,477	21,247
- after one year	16	19,674	21,122
Cash at bank and in hand		7,886	7,604
		54,275	50,998
Current liabilities	18	(31,361)	(28,210)
Net current assets		22,914	22,788
Total assets less current liabilities		32,096	31,958
Provisions for liabilities	19	(2,868)	(3,421)
Net assets excluding pension liability		29,228	28,537
Defined benefit pension liability	22	(106,300)	(98,459)
Net liabilities		(77,072)	(69,922)
Equity			
Called-up share capital	23	400	400
Profit and loss account	24	(77,472)	(70,322)
Total equity		(77,072)	(69,922)

The financial statements were approved by the Board of Directors for issue on 6th April and are signed on its behalf by:

B R Martin
Director
13th April 2016

Company Registration No. 00548648

Consolidated Statement of Changes in Equity

As at 31 December 2015

	Notes	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2014		400	(58,050)	(57,650)
Year ended 31 December 2014:				
Profit for the year		-	1,872	1,872
Other comprehensive income:	22			
Actuarial losses on defined benefit plans		-	(18,158)	(18,158)
Tax relating to other comprehensive income	11	-	3,634	3,634
Total comprehensive loss for the year		-	(12,652)	(12,652)
Balance at 31 December 2014		400	(70,702)	(70,302)
Year ended 31 December 2015:				
Profit for the year		-	2,134	2,134
Other comprehensive income:	22			
Actuarial losses on defined benefit plans		-	(9,422)	(9,422)
Tax relating to other comprehensive income	11	-	74	74
Total comprehensive loss for the year		-	(7,214)	(7,214)
Balance at 31 December 2015		400	(77,916)	(77,516)

Company Statement of Changes in Equity

For the year ended 31 December 2015

	Notes	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2014		400	(57,906)	(57,506)
Year ended 31 December 2014:				
Profit for the year		-	2,108	2,108
Other comprehensive income:	22			
Actuarial losses on defined benefit plans		-	(18,158)	(18,158)
Tax relating to other comprehensive income	11	-	3,634	3,634
Total comprehensive loss for the year		-	(12,416)	(12,416)
Balance at 31 December 2014		400	(70,322)	(69,922)
Year ended 31 December 2015:				
Profit for the year		-	2,198	2,198
Other comprehensive income:	22			
Actuarial losses on defined benefit plans		-	(9,422)	(9,422)
Tax relating to other comprehensive income	11	-	74	74
Total comprehensive loss for the year		-	(7,150)	(7,150)
Balance at 31 December 2015		400	(77,472)	(77,072)

Consolidated Statement of Cash Flows
For the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Cash flows from operating activities			
Cash generated from operations	30	2,895	1,755
Interest paid		(10)	(14)
Income taxes refunded		141	89
Net cash inflow from operating activities		3,026	1,830
Investing activities			
Purchase of property, plant and equipment		(3,230)	(3,188)
Proceeds on disposal of property, plant and equipment		7	30
Proceeds on disposal of fixed asset investments		63	573
Interest received		14	18
Other investment income received		496	495
Net cash used in investing activities		(2,650)	(2,072)
Financing activities			
Payment of finance leases obligations		(118)	(223)
Net cash used in financing activities		(118)	(223)
Net increase/(decrease) in cash and cash equivalents		258	(465)
Cash and cash equivalents at beginning of year		8,144	8,609
Cash and cash equivalents at end of year		8,402	8,144

Notes to the Financial Statements
For the year ended 31 December 2015

1. Accounting policies

Company information

Independent Television News Limited (“the Company”) is a limited Company domiciled and incorporated in England and Wales. The registered office is 200 Grays Inn Road, London, WC1X 8XZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £’000s.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Independent Television News Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. Prior year comparatives have been restated for the adoption of FRS 102. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in Note 31.

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes. The Company’s profit for the year was £2,198,000 (restated 2014: £2,108,000).

1.2 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.

1.3 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 £2,134,000 in the year to 31 December 2015. It had net current assets of £22,602,000. The Group’s activities are funded out of operating cash flows.

At 31 December 2015, the ITN Pension Scheme had a deficit under Financial Reporting Standard 102 of £106,201,000 (Note 22). The triennial actuarial valuation of the scheme at 31 December 2014 and associated recovery plan have recently been completed showing a deficit of £98,600,000. They have been agreed with the Trustees of the ITN Pension Scheme and 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.

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.

1.4 Revenue

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

Revenue from the sale of services is recognised when the significant risks and rewards of ownership have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the Financial Statements

For the year ended 31 December 2015

1. Account policies (continued)

Revenue 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 revenue is recognised in line with the specific licence agreement or on delivery or broadcast of the product.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	Lower of useful economic life (between 5 and 10 years) or lease term
Fixtures and fittings	Lower of useful economic life (between 1 and 10 years) or lease term
Motor vehicles	4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

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 income statement 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.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the Company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of non-current assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised

1. Account policies (continued)

for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 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 is recognised on delivery of episodes.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock or work in progress over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the income statement. Reversals of impairment losses are also recognised in the income statement.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are de-recognised when, and only when, the obligation specified in the contract is discharged, cancelled, or expires.

Notes to the Financial Statements

For the year ended 31 December 2015

1. Account policies (continued)

1.11 Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

The Group's property provisions 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 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 the income statement.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

With effect from 31 March 2010, the Group closed the ITN Defined Benefit Pension Scheme to future service accrual.

1. Account policies (continued)

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 is presented separately after other net assets on the face of the statement of financial position.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the year.

2. Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. A key area of management judgement is the underlying assumptions used in the FRS102 calculation of the pension deficit.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Notes to the Financial Statements

For the year ended 31 December 2015

3. Revenue

An analysis of the Group's revenue is as follows:

	2015 £'000	2014 £'000
Revenue		
News	85,750	82,953
Productions	23,669	16,739
Source	10,442	12,267
	119,681	111,959
Other significant revenue		
Interest Income	14	18

Revenue analysed by geographical market

	2015 £'000	2014 £'000
United Kingdom	111,942	103,705
Rest of the World	8,199	8,254
	119,681	111,959

4. Operating Profit

	2015 £'000	2014 £'000
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	77	88
Depreciation of owned property, plant and equipment	2,676	2,947
Depreciation of property, plant and equipment held under finance leases	121	131
Profit on disposal of property, plant and equipment	(1)	(9)
Operating lease charges	2,692	2,803
Salary security insurance receipts	(427)	(415)

5. Auditors' remuneration

	2015 £'000	2014 £'000
Fees payable to the Company's auditor and its associates:		
For audit services		
Audit of the financial statements of the Group and Company	69	66
Audit of the Company's subsidiaries	14	14
	83	80
For other services		
Taxation compliance services	35	35
	35	35

Notes to the Financial Statements

For the year ended 31 December 2015

6. Employees

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

	2015 £'000	2014 £'000
Editorial and Technical	518	510
Sales and Business Development	30	28
Administration and Management	175	173
	723	711

Their aggregate remuneration comprised:

	2015 £'000	2014 £'000
Wages and salaries	43,803	41,837
Social security costs	4,668	4,392
Pension costs	3,294	3,153
	51,765	49,382

7. Directors' remuneration

	2015 £'000	2014 £'000
Remuneration for qualifying services	1,286	1,277
Amounts receivable under long term incentive schemes	748	-
Company pension contributions to defined contribution schemes	20	15
	2,054	1,292

The amounts above include fees for non-executive Directors.

7. Directors' remuneration (continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2015 £'000	2014 £'000
Remuneration for qualifying services	711	734
Amounts receivable under long term incentive schemes	499	-
Company pension contributions to defined contribution schemes	20	15

We consider our Directors to be key management personnel. The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014: 1).

The Remuneration Committee, which includes representation of all the shareholders, put in place a Long Term Incentive Plan for 2013 to 2015. This is based on aggregate operating profit reaching certain thresholds over the period. Payments under this plan will be made in 2016 and are included in the 2015 figures above. The costs of this plan are being accrued within current liabilities.

The costs of a new LTIP plan, running concurrently in 2015 for the period 2015-2017, are being accrued within Provisions for liabilities and charges (Note 19) based on the criteria being met and an assessment of likely pay-out to be made in 2018.

8. Investment income

	2015 £'000	2014 £'000
Interest income		
Interest income on bank deposits	14	18
Income from fixed asset investments		
Income from other fixed asset investments	496	495
Total income	510	513

Notes to the Financial Statements

For the year ended 31 December 2015

9. Finance costs

	2015 £'000	2014 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	2	13
Other interest payable	8	1
	10	14
Other finance costs		
Interest on the net defined benefit liability	4,521	4,616
Unwinding of discount on provisions	84	95
Total finance costs	4,615	4,725
Disclosed on the income statement as follows:		
Other finance costs	4,615	4,725

10. Other gains and losses

	2015 £'000	2014 £'000
Gain on disposal of fixed asset investments	82	534
Share of joint venture losses	(98)	(43)
	(16)	491

11. Taxation

	2015 £'000	2014 £'000
Current tax		
UK corporation tax on profits for the current year	932	788
Adjustments in respect of prior periods	-	41
Total UK current tax	932	829
Foreign current tax on profits for the current period	29	36
Total current tax	961	865
Origination and reversal of timing differences	253	235
Changes in tax rates	120	(160)
Adjustments in respect of prior years	(3)	(143)
Adjustment in respect of pension-related timing differences	(713)	(777)
Total deferred tax	(343)	(701)
Total tax charge	618	164

Notes to the Financial Statements

For the year ended 31 December 2015

11. Taxation (continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	2,752	2,036
Expected UK Corporation tax charge using a rate of 20.25% (2014: 21.50%)	557	438
Tax effect of expenses that are not deductible in determining taxable profit	119	17
Tax effect of income not taxable in determining taxable profit	(218)	(209)
Adjustments in respect of prior years	(3)	(102)
Foreign tax	23	28
Effect of change in corporation tax rate	120	(17)
Unrecognised tax losses in joint venture	20	9
Tax expense for the year	618	164

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2015 £'000	2014 £'000
Current tax arising on:		
Actuarial differences recognised as other comprehensive income	(1,053)	(796)
Deferred tax arising on:		
Effect of change in corporation tax rate	1,844	271
Actuarial differences recognised as other comprehensive income	(855)	(3,019)
	(74)	(3,634)

12. Property, plant and equipment

Group

	Fixed plant and equipment £'000	Office and technical equipment £'000	Motor vehicles £'000	Assets under construction £'000	Total £'000
Cost					
At 1 January 2015	6,766	42,943	677	1,903	52,289
Additions	193	2,516	-	521	3,230
Completed assets	348	1,555	-	(1,903)	-
Disposals	(7)	(4,130)	(417)	-	(4,554)
At 31 December 2015	7,300	42,884	260	521	50,965
Depreciation and impairment					
At 1 January 2015	5,767	37,287	555	-	43,609
Depreciation charged in the year	251	2,511	35	-	2,797
Eliminated in respect of disposals	(7)	(3,736)	(378)	-	(4,121)
At 31 December 2015	6,011	36,062	212	-	42,285
Carrying amount					
At 31 December 2014	999	5,656	122	1,903	8,680
At 31 December 2015	1,289	6,822	48	521	8,680

Notes to the Financial Statements

For the year ended 31 December 2015

12. Property, plant and equipment (continued)

Company

	Fixed plant and equipment	Office and technical equipment	Motor vehicles	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2015	6,766	42,943	677	1,903	52,289
Additions	193	2,516	-	521	3,230
Completed assets	348	1,555	-	(1,903)	-
Disposals	(7)	(4,130)	(417)	-	(4,554)
At 31 December 2015	7,300	42,884	260	521	50,965
Depreciation and impairment					
At 1 January 2015	5,767	37,287	555	-	43,609
Depreciation charged in the year	251	2,511	35	-	2,797
Eliminated in respect of disposals	(7)	(3,736)	(378)	-	(4,121)
At 31 December 2015	6,011	36,062	212	-	42,285
Carrying amount					
At 31 December 2014	999	5,656	122	1,903	8,680
At 31 December 2015	1,289	6,822	48	521	8,680

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £121,000 (2014: £131,000) for the year.

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Fixtures and fittings	-	228	-	228

13. Fixed asset investments

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Investments in subsidiaries	345	345	-	-
Investments in joint ventures	25	112	502	490
	370	457	502	490

Fixed asset investments not carried at market value

The Company adopts a policy of accounting for its investments in subsidiaries, associates and jointly controlled entities at cost less impairment.

Movements in fixed asset investments

	Group £'000	Company £'000
Cost or valuation		
At 1 January 2015	500	490
Additions	25	12
At 31 December 2015	525	502
Impairment		
At 1 January 2015	(43)	-
Impairment losses	(112)	-
At 31 December 2015	(155)	-
Carrying amount		
At 31 December 2014	457	490
At 31 December 2015	370	502

Notes to the Financial Statements

For the year ended 31 December 2015

14. Financial instruments

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	27,558	24,787	27,540	24,451
Equity instruments measured at cost less impairment	370	457	502	490
	27,928	25,244	28,042	24,941
Carrying amount of financial liabilities				
Measured at amortised cost	28,274	26,336	27,986	25,693
	28,274	26,336	27,986	25,693

15. Inventories

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Contract work in progress	1,238	1,025	1,238	1,025

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

16. Trade and other receivables

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Amounts falling due within one year:				
Trade receivables	17,398	13,841	17,234	13,627
Amount due from shareholders	-	714	-	714
Amounts due from subsidiary undertakings	-	-	778	552
Other receivables	879	1,044	821	977
Prepayments and accrued income	5,450	5,006	5,434	4,979
	23,727	20,605	24,267	20,849
Deferred tax asset (note 20)	1,210	1,173	1,210	1,173
	24,937	21,778	25,477	22,022
Amounts falling due after one year:				
Deferred tax asset (note 20)	19,674	20,347	19,674	20,347
Total debtors	44,611	42,125	45,151	42,369

17. Finance lease obligations

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Future lease payments due under finance leases:				
Within one year	-	118	-	118

Finance lease payments represent rentals payable by the Company or Group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. There are no current leases.

Notes to the Financial Statements

For the year ended 31 December 2015

18. Current liabilities

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Obligations under finance leases	-	118	-	118
Other taxation and social security	3,375	2,517	3,375	2,517
Trade payables	1,748	2,038	1,728	2,038
Amount due to parent undertaking	126	-	126	-
Other payables	1,330	1,127	1,297	1,092
Accruals and deferred income	25,070	23,053	24,835	22,445
	31,649	28,853	31,361	28,210

19. Provisions for liabilities

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Property	2,229	2,071	2,229	2,071
Salary related	639	1,350	639	1,350
	2,868	3,421	2,868	3,421

Provisions are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

Property provision

A provision is recognised for expected dilapidation claims and an onerous lease. The dilapidation provision relates to three properties: one on which the lease has completed and is expected to be settled in the next financial year; the remaining two for current leases with the related costs not being incurred until 2023 when the leases end.

The onerous lease provision is the difference of rental costs and rental income being provided until the end of the lease in 2023 when we would expect the costs to materialise.

Salary related provision

A provision is recognised for a salary security scheme and also the Long Term Incentive Plan (LTIP) offered to senior management.

ITN staff are offered an insured salary security benefit that covers their salary for a specified period of time should they be deemed unable to work. A provision is in place to recognise the future uninsured expenses on those staff that we are currently aware of requiring this benefit. The provision is ongoing with expenses incurred in all future periods, at times until an individual's retirement, therefore there is an uncertainty as to when payments will continue to as it is based on each individual's circumstances which are continually monitored for changes.

The costs of a new LTIP plan for the period 2015-2017 are being accrued based on the criteria being met, the likely pay-out being made in 2018.

19. Provisions for liabilities (continued)

Movements on provisions

Group

	Property £'000	Salary related £'000	Total £'000
At 1 January 2015	2,071	1,350	3,421
Additional provisions in the year	305	418	723
Utilisation of provision	(215)	(1,145)	(1,360)
Unwinding of discount	68	16	84
At 31 December 2015	2,229	639	2,868

Company

	Property £'000	Salary related £'000	Total £'000
At 1 January 2015	2,071	1,350	3,421
Additional provisions in the year	305	418	723
Utilisation of provision	(215)	(1,145)	(1,360)
Unwinding of discount	68	16	84
At 31 December 2015	2,229	639	2,868

Notes to the Financial Statements

For the year ended 31 December 2015

20. Deferred taxation

Deferred tax assets and liabilities are offset where the Company or Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group

	Assets 2015 £'000	Assets 2014 £'000
Accelerated capital allowances	1,049	1,234
Other short-term timing differences	308	270
Tax losses	101	324
Retirement benefit obligations	19,426	19,692
	20,884	21,520

Company

	Assets 2015 £'000	Assets 2014 £'000
Accelerated capital allowances	1,049	1,234
Other short-term timing differences	308	270
Tax losses	101	324
Retirement benefit obligations	19,426	19,692
	20,884	21,520

20. Deferred taxation (continued)

Movements in the year

	Group 2015 £'000	Company 2015 £'000
Liability at 1 January 2015	21,520	21,520
Charge to the income statement	460	460
Charge to other comprehensive income	855	855
Effect of change in tax rate charged to the income statement	(120)	(120)
Effect of change in tax rate charged to other comprehensive income	(1,834)	(1,834)
Prior year adjustment	3	3
Liability at 31 December 2015	20,884	20,884

During the year ending 31 December 2016, the net reversal of deferred tax assets and liabilities above is expected to decrease the corporation tax charge for the year by £1.2 million. This is due to utilisation of timing differences and cash pension contributions.

FRS 102 requires deferred tax assets to be measured at the tax rates that are expected to apply in the period that the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Finance (No.2) Act 2015, which was substantively enacted on 26 October 2015, provides for a future reduction of the UK corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020. Depending on when timing differences are expected to reverse we have used these rates to measure the deferred tax in these statements.

In the Budget of 16 March 2016, the UK Government announced its intention to reduce the corporation tax rate to 17% from 1 April 2020, in place of the 18% rate enacted in Finance (No.2) Act 2015. However as this change had not been substantively enacted at the reporting end date, the effect of the 17% rate has not been recognised in these financial statements.

21. 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.

Notes to the Financial Statements

For the year ended 31 December 2015

22. Retirement benefit schemes

Defined contribution schemes

	2015 £'000	2014 £'000
Charge to the income statement in respect of defined contribution schemes	3,294	3,153

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Defined benefit schemes

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 2014 and used the projected unit method. For 2016, the Group is expected to make a maximum contribution as part of the 2014 Pension Recovery Plan of £6.4 million (2014: £6.2 million) which includes Scheme expenses and Pension Protection Fund Levy.

Key assumptions

The major financial assumptions used to calculate the present value of scheme liabilities under FRS 102 are:

	2015 %	2014 %	2013 %	2012 %	2011 %
Discount rate	3.90%	3.70%	4.60%	4.50%	4.90%
Expected rate of increase of pensions in payment	2.70%	2.70%	3.10%	2.70%	3.00%
Rate of increase for deferred pensioners	1.70%	1.70%	2.20%	2.00%	2.00%
Inflation	2.80%	2.80%	3.20%	2.70%	3.00%
Expected return on scheme assets (1)	-	5.57%	5.69%	5.82%	6.84%

Following the finalisation of the 31 December 2014 Triennial Valuation, the Company has used the updated SAPS S2 mortality tables, with probabilities of death reduced by 15% for males and females, with an allowance for future improvements in line with the CMI 2015 projects with a long term improvement rate of 1% p.a.

(1) Note: Under FRS 102, the expected return on assets is effectively based on the discount rate used to value the liabilities for the previous disclosures as at 31 December 2014 and so an expected return on assets assumption is no longer required.

22. Retirement benefit schemes (continued)

The employee benefit obligations of the scheme were:

	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Present value of funded obligations	(422.5)	(421.8)	(392.7)	(390.5)	(367.6)
Fair value of scheme assets	316.3	323.3	312.3	301.7	285.2
Deficit in the scheme	(106.2)	(98.5)	(80.4)	(88.8)	(82.4)
Related deferred tax asset	19.4	19.7	16.1	20.4	20.6
Net pension liability	(86.8)	(78.8)	(64.3)	(68.4)	(61.8)

Income statement impact:

	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Interest on pension scheme assets	(10.8)	(13.1)	(15.9)	(15.2)	(17.7)
Interest on pension scheme liabilities	15.3	17.7	17.2	17.7	18.1
Gain on settlement	-	-	(3.1)	-	-
Charge/(credit) to income statement	4.5	4.6	(1.8)	2.5	0.4

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

	2015	2014	2013	2012	2011
Equities	56%	55%	46%	50%	49%
Bonds and gilts	36%	38%	45%	45%	45%
Cash and property	8%	7%	12%	5%	6%

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

	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Net actuarial losses/(gains) recognised in year	9.4	18.2	(0.4)	8.1	26.8
Net cumulative actuarial losses	109.7	100.3	82.2	82.6	74.5

Notes to the Financial Statements

For the year ended 31 December 2015

22. Retirement benefit schemes (continued)

Actual return on plan assets

	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Actual return on plan assets	2.5	20.7	17.8	25.2	11.0

Reconcilliation of present value of present liabilities and assets

	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Change in the present value of the defined benefit obligation					
Opening defined benefit obligation	421.8	392.7	390.5	367.6	341.9
Interest cost	15.3	17.7	17.2	17.7	18.1
Benefits paid	(14.8)	(14.4)	(13.4)	(12.9)	(12.6)
Gain on settlement	-	-	(3.1)	-	-
Actuarial losses/(gains)	4.2	(3.3)	1.5	18.1	20.2
Changes to demographic assumptions	10.0	(0.5)	-	-	-
Changes to financial assumptions	(14.0)	29.6	-	-	-
Closing defined benefit obligation	422.5	421.8	392.7	390.5	367.6

	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Change in the fair value of plan assets					
Opening fair value of plan assets	323.3	312.3	301.7	285.2	282.4
Expected return	-	-	15.9	15.2	17.7
Interest on assets	11.8	14.1	-	-	-
Return on plan assets less interest	(9.2)	7.6	-	-	-
Actuarial gains/(losses)	-	-	1.8	10.0	(6.6)
Contribution by employer	6.2	4.7	6.3	4.2	4.3
Benefits paid	(14.8)	(14.4)	(13.4)	(12.9)	(12.6)
Administration costs	(1.0)	(1.0)	-	-	-
Closing fair value of plan assets	316.3	323.3	312.3	301.7	285.2

23. Called-up share capital

At 31 December 2015 and 2014 the Company had 15,400,000 authorised ordinary shares of £1 each.

	Group and Company	
	2015 £'000	2014 £'000
Authorised, allotted, called-up and fully paid		
400,000 ordinary shares of £1 each	400	400

24. Reserves

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
At 1 January	(70,702)	(58,050)	(70,322)	(57,906)
Profit for the year	2,134	1,872	2,198	2,108
Actuarial differences recognised in other comprehensive income	(9,422)	(18,158)	(9,422)	(18,158)
Tax on actuarial differences	74	3,634	74	3,634
At 31 December	(77,916)	(70,702)	(77,472)	(70,322)

25. Operating lease commitments

Lessee

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
In over five years	4,427	4,427	4,427	4,427

Notes to the Financial Statements

For the year ended 31 December 2015

26. Financial commitments, guarantees and contingent liabilities

The Group has one contract (2014: one contract) where it has minimum guarantee commitments relating to the sale of archive material. This guarantee totals £600,000 (2014: £600,000).

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

27. Capital commitments

At 31 December 2015 the Group had capital commitments as follows:

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Contracted for but not provided for:				
Acquisition of property, plant and equipment	796	576	796	576

28. Related party transactions

Transactions with related parties

During the year the Group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Group				
Entities with a shareholding interest in the Company	56,448	49,245	3,692	3,328
Entities in which the Company has a shareholding interest	255	255	-	-
	56,703	49,500	3,692	3,328

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties

	2015 £'000	2014 £'000
Group		
Entities with a shareholding interest in the Company	333	324
Entities in which the Company has a shareholding interest	-	3
	333	327

Amounts owed by related parties

	2015 £'000	2014 £'000
Group		
Entities with control, joint control or significant influence over the Group	6,725	5,779
Other related parties	311	293
	7,036	6,072

No guarantees have been given or received.

Notes to the Financial Statements

For the year ended 31 December 2015

29. Investments

Details of investments at 31 December 2015 are as follows:

Name of undertaking	Country of incorporation	Nature of business	% Held	
			Direct	Indirect
ITN Archive Limited	England & Wales	Sale of archive material	100	
ITN Radio Investments Limited	England & Wales	Holding company	100	
ITN Radio Limited	England & Wales	Holding company		100
ITN Education Investments Limited	England & Wales	Holding company	100	
Viewpoint News Limited	England & Wales	Social media news	100	
Independent Radio News Limited	England & Wales	Production of radio news		19.7
Diagonal View Limited	England & Wales	Provision of digital videos	49	
Digital Care Social Enterprise Limited	England & Wales	Provision of healthcare videos	50	

30. Cash generated from operations

	2015 £'000	2014 £'000
Profit for the year	2,134	1,872
Adjustments for:		
Income tax expense recognised in the income statement	618	164
Finance costs recognised in the income statement	4,521	4,616
Investment income recognised in the income statement	(496)	(495)
Gain on disposal of property, plant and equipment	(1)	(19)
Amortisation and impairment of joint ventures	86	43
Depreciation and impairment of property, plant and equipment	2,797	3,077
Gain on sale of investments	(96)	(534)
Other gains and losses	79	91
Pension scheme cash movement	(6,101)	(4,699)
Decrease in provisions	(637)	(303)
Movements in working capital:		
Increase in inventories	(213)	(504)
Increase in trade and other receivables	(2,710)	(1,426)
Increase/(decrease) in trade and other payables	2,914	(128)
Cash generated from operations	2,895	1,755

Notes to the Financial Statements

For the year ended 31 December 2015

31. Reconciliations on adoption of FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. The impact from the transition to FRS 102 is as follows:

Reconciliation of equity

	FRS 102 Notes	Group £'000	Company £'000
As at 1 January 2014			
Equity as reported under previous UK GAAP and under FRS 102		(57,652)	(57,506)
Pension interest payable costs	1	-	-
Associated taxation adjustments	1	-	-
As at 31 December 2014			
Equity as reported under previous UK GAAP and under FRS 102		(70,302)	(69,922)
Pension interest payable costs	1	-	-
Associated taxation adjustments	1	-	-

Reconciliation of the income statement

	FRS 102 Notes	Group £'000	Company £'000
Profit as reported under previous UK GAAP		4,231	4,467
Adjustments arising from transition to FRS 102:			
Pension interest payable costs	1	(3,005)	(3,005)
Associated taxation adjustments	1	646	646
Profit as reported under FRS 102		1,872	2,108

1. FRS 102 impact on pension interest payable costs in the income statement

Under FRS 102 net interest on the net defined benefit pension liability is presented in the income statement using the liability discount rate. Under previous UK GAAP the interest on the expected return on net assets was calculated using an expected asset return discount rate. This had no impact on shareholders equity on transition but affects the allocation of interest between the income statement and other comprehensive income. There is a reduction to profit of £3,005,000 and associated £646,000 decrease in the taxation charge arising from this adjustment, offset by a corresponding decrease in other comprehensive income.

2. Investments in subsidiaries

The Company has elected to treat the carrying amount of investments in subsidiaries under previous UK GAAP at the date of transition as a deemed cost on transition to FRS 102.



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