



**ITN**

Annual Report 2018



# TRUSTED TO TELL THE WORLD'S STORIES.

ITN is an Oscar-nominated production company that has been at the heart of the media landscape for over sixty years, internationally recognised for our quality, integrity and creativity.

Combining our experience honed as one of the UK's foremost media companies with cutting edge technology and expertise, we are the home of compelling content and technical innovation.

We make the award-winning daily news programmes for ITV, Channel 4 and Channel 5, providing comprehensive and impartial news to the British public, with a daily accumulated peak audience of up to 11.4 million people in the UK.

ITN Productions, our independent production company, produces high quality content across seven distinct areas: television production; sports; advertising; industry-specific programming; education content; entertainment and news footage syndication; and post-production.



Independent Television News Limited  
200 Gray's Inn Road | London | WC1X 8XZ  
Registered number 548648

[www.itn.co.uk](http://www.itn.co.uk)

Company Registration No. 00548648 (England and Wales)

INDEPENDENT TELEVISION NEWS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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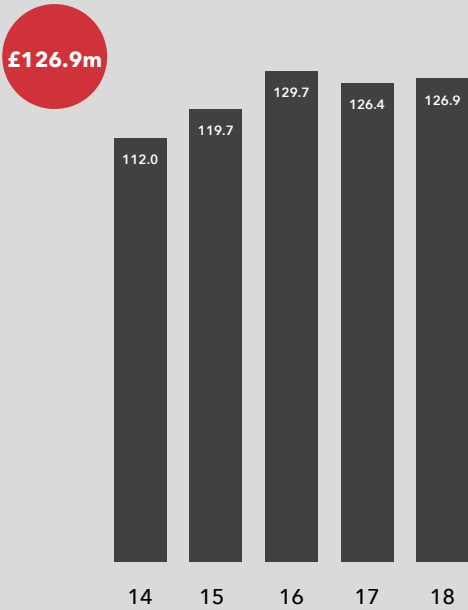
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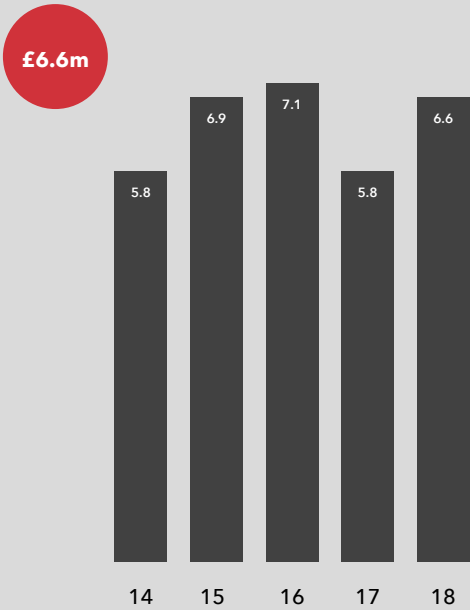
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# AT A GLANCE

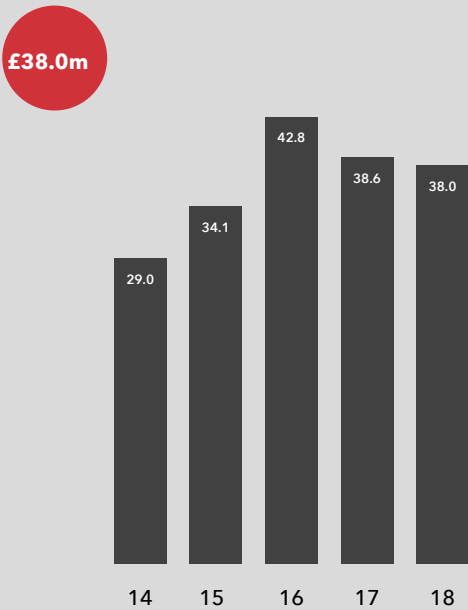
GROUP REVENUE  
£m



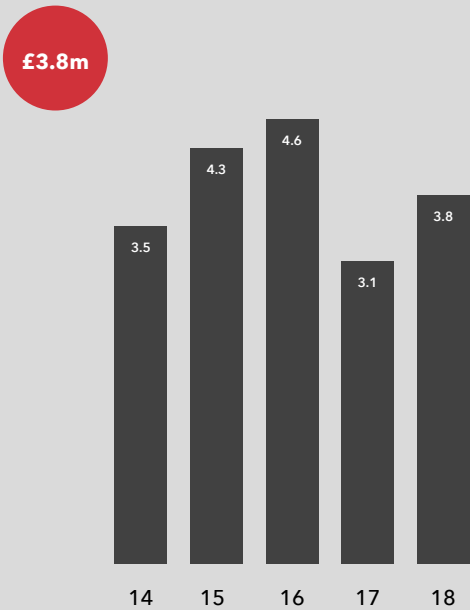
GROUP OPERATING PROFIT  
£m



ITN PRODUCTIONS REVENUE  
£m



ITN PRODUCTIONS OPERATING PROFIT  
£m





**11.4m**

DAILY MAX AUDIENCE REACH  
FOR ITN NEWS PROGRAMMES



**30**

BROADCAST COMMISSIONS



**34**

AWARDS WON



**42**

ADVERTISING PROJECTS



**544**

ITN PRODUCTIONS  
BROADCAST HOURS



**1800+**

FOOTBALL MATCHES  
FILMED AND EDITED





AP Photo/Pablo Martinez Monsivais



# HIGH-IMPACT JOURNALISM



## DATA, DEMOCRACY AND DIRTY TRICKS

Channel 4 News Investigation

In 2018 one story really stood out – the Cambridge Analytica scandal. Over a period of four months, Channel 4 News carried out an undercover investigation into the data company credited with putting Donald Trump into the White House.

The result was extraordinary footage beamed around the world, showing the company's bosses boasting of manipulating elections, spreading “untraceable” propaganda, and using bribes and honeytraps.

The global scandal led directly to the collapse of Cambridge Analytica six weeks after broadcast, billions of dollars wiped off the value of Facebook and Mark Zuckerberg being brought before the House and Senate to explain and apologise for the data breach (pictured).

Importantly, it also exposed a new 21st century industry subverting democracies all over the world by disseminating anonymous content online and using social media to influence voters. Data, Democracy and Dirty Tricks was a landmark journalistic series with huge global implications for every democratic country on earth.

In December, Channel 4 News were honoured at the British Journalism Awards, winning Investigation of the Year 2018. In February 2019, Channel 4 News' Cambridge Analytica investigation won Royal Television Society awards for scoop, home and foreign coverage of the year, with the judging panel calling it a “global scoop that changed the way the world works.”

# HIGH-IMPACT JOURNALISM

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**itv NEWS EXCLUSIVE**



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## SALISBURY POISONING

ITV News World Exclusive Interview

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In an exclusive interview with ITV News correspondent Rupert Evelyn, Novichok poisoning victim Charlie Rowley spoke about the sealed box of perfume he found and later gave to his girlfriend Dawn Sturgess containing a deadly nerve agent which killed her.

The tragic incident took place in Amesbury, seven miles away from the town of Salisbury where former Russian military officer Sergei Skripal and his daughter Yulia were poisoned by suspected Russian agents using the Novichok nerve agent known as A-234.



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## INSIDE MOSUL

ITV News Exclusive Interview

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In 2017, so-called Islamic State's militants were forced out of Mosul after a battle which left at least 10,000 people dead. Six months on, an ITV News team travelled to Iraq to witness the devastation residents had been left with.

"Finding someone to tell their story proved almost impossible," says correspondent Emma Murphy. "We came across more bodies than we did people. All this time on, the dead remained in the broken shells of homes where they were either executed by IS or killed in airstrikes."

## NHS AT 70: HEALING MINDS

5 News Series

As the NHS marked its 70th anniversary, the 5 News team were given rare access to film in a mental health unit over three months to see what life is really like on the frontline of mental health care.

This special series went inside Langley Green Hospital in Crawley to speak to doctors, nurses, mental health workers, patients and families to paint a vivid picture of the current state of the UK's mental health provision.

The 5 News team sought to show the reality for people with mental health problems by giving them a voice during their darkest times and breaking the stigma around mental illness.



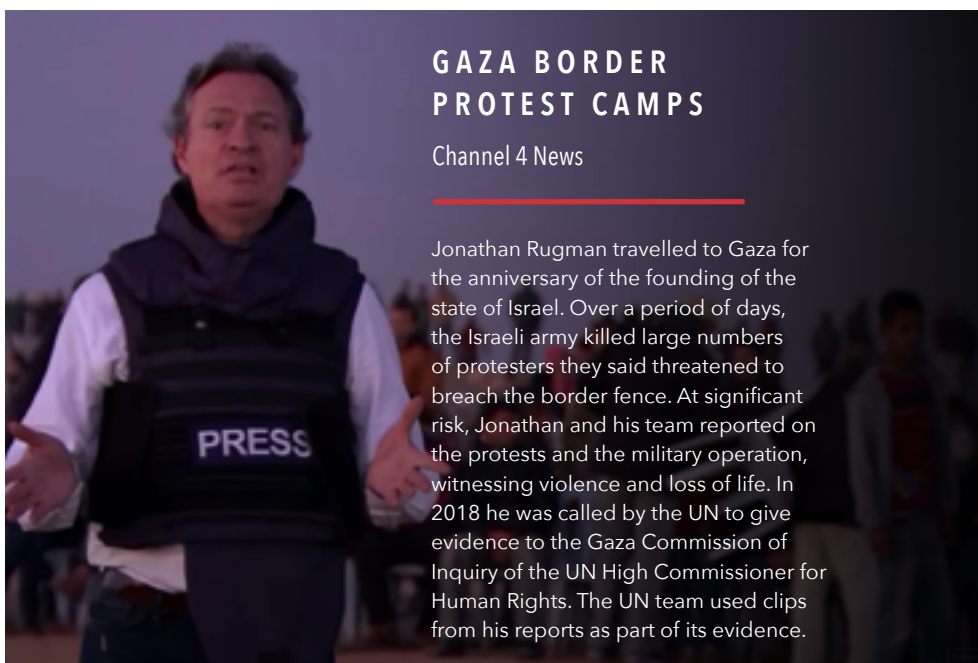
## LONDON AWARD

Nina Hossain

ITV News London presenter Nina Hossain was named Nations and Regions Presenter of the Year for the second year running, with the judges citing her "authority, sensitivity and charm".

## GAZA BORDER PROTEST CAMPS

Channel 4 News



Jonathan Rugman travelled to Gaza for the anniversary of the founding of the state of Israel. Over a period of days, the Israeli army killed large numbers of protesters they said threatened to breach the border fence. At significant risk, Jonathan and his team reported on the protests and the military operation, witnessing violence and loss of life. In 2018 he was called by the UN to give evidence to the Gaza Commission of Inquiry of the UN High Commissioner for Human Rights. The UN team used clips from his reports as part of its evidence.





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## MICHAEL PALIN IN NORTH KOREA

Produced for Channel 5

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On the eve of President Donald Trump's historic summit with North Korea's Chairman Kim Jong-Un, acclaimed documentarian Michael Palin travelled throughout the country, seeking to better understand the lifestyles of the many millions who live, work and have families in the DPRK.

Covering more than 1,300 miles from south to north, this landmark series for Channel 5 took viewers into the heart of North Korea, from the capital Pyongyang to the snowy peaks of Mount Paektu.

Requiring two years of planning and a series of complex high level negotiations in order to gain unprecedented access, Michael and his team were able to experience North Korea in a way that few Westerners have ever done previously.

"To visit North Korea was an opportunity I couldn't turn down," said Michael, who was nominated for a Royal Television Society Presenter of the Year award for his work on the series.

“

**I have never had  
the same sense  
of fascination and  
revelation as on  
this journey**

*- Michael Palin*

# GLOBAL WITNESS



## FRANKIE GOES TO RUSSIA

Produced for BBC Two



**Who better to send to Russia on reconnaissance than noted diplomat Frankie Boyle?**

- *Guardian*

The 2018 football World Cup kicked off against a backdrop of spy poisoning, alleged state-sponsored doping, threats of ultra football hooliganism and perhaps the worst relations between Russia and the West since the Cold War.

The acerbic comedian Frankie Boyle visited the nation in the run-up to the 2018 tournament, looking behind the stereotypes and half-truths of Russian football and culture with his trademark provocative humour. Over two hour-long programmes Frankie joined a World Cup volunteer induction course (complete with chemical suit and face mask), met some of Russia's most dedicated football fans and investigated the facilities awaiting the English fans who made the trip to support their team.



# WORLD EVENTS

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## THE ROAD TO DOHA 2019

IAAF World Athletics Championships

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After forming an innovative joint venture partnership with the International Association of Athletics Federations (IAAF) the previous year, the focus for ITN Productions Sport in 2018 was on preparing for the upcoming IAAF World Athletics Championships in Doha.

The seventeenth edition of the Championships will take place in September and October 2019 at the renovated multi-purpose Khalifa International Stadium. During the Championships, billions of television viewers will watch more than 3,500 athletes from over 200 countries competing in the third biggest sporting event in the world.



Khalifa Stadium





## **Nailed the mood of the nation**

- *Daily Mail*



### **THE ROYAL WEDDING**

ITV News Special Programme

Julie Etchingham and Phillip Schofield presented an extended live programme on the much-anticipated Royal Wedding of Prince Harry and Meghan Markle, broadcast live from a specially constructed studio among the gathered crowds at Windsor.

The pair were joined by presenters and correspondents including Mary Nightingale, Royal Editor Chris Ship, Nina Hossain and Charlotte Hawkins, who were with wedding guests and the public in Windsor, and around the country, as they came together to celebrate. James Mates led service commentary from the chapel, while Rageh Omaar joined Sentebale - the charity co-founded by Prince Harry - for celebrations in Lesotho.

The programme was a critical success, with the Telegraph praising the decision to eschew reverence in favour of a mood of "gleeful gossip and gawp".

# SHOCKING TRUE STORIES

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## OPERATION THAI CAVE RESCUE

Produced for Discovery US

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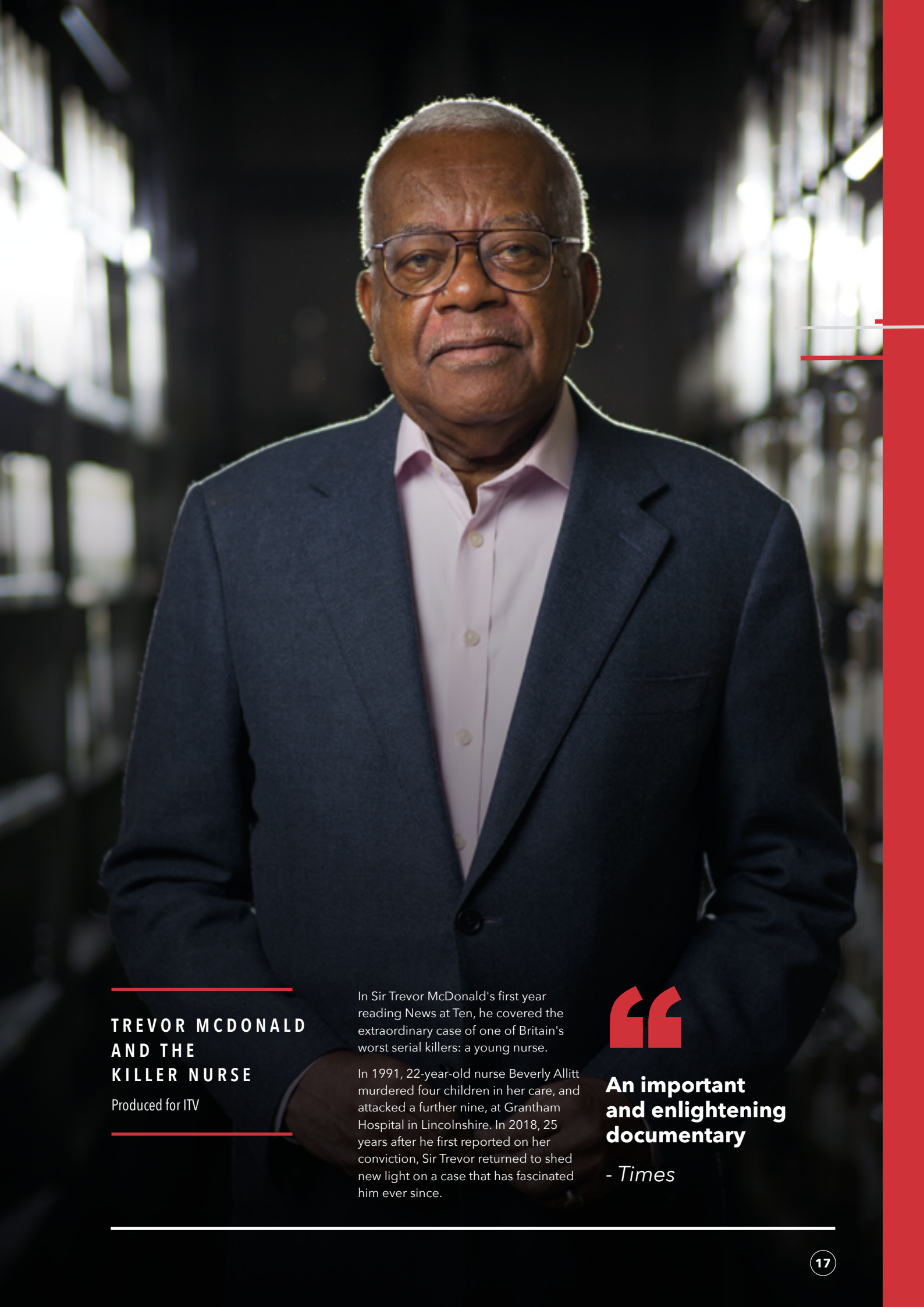
For three weeks in the summer of 2018, the fate of 12 young footballers and their coach remained in the balance. Their only hope was a daring and highly risky rescue mission, the scale of which had never before been attempted. In the hours after the story first broke, ITN Productions was commissioned by the Discovery Channel to produce a fast-turnaround documentary revealing the human and scientific drama behind one of the most difficult and heart-palpitating rescue attempts in human history.

Featuring exclusive early access to the men and women, including family members, who had been living and

breathing the events, *Operation: Thai Cave Rescue* focused on the triumph of the human spirit and the extraordinary technological innovations used to complete this miracle rescue.

Filmed, produced and edited in just five days, the documentary features interviews with medical and mental health experts, renowned cave diving instructors and rescue experts and painted a vivid picture of what the boys and their rescuers were experiencing, and how these heroic divers overcame what was thought to be impossible.



A portrait of Sir Trevor McDonald, an older Black man with glasses, wearing a dark blue suit jacket over a light pink shirt. He is standing in front of a blurred background of bookshelves filled with books. The lighting is dramatic, with highlights on his face and suit.

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## TREVOR MCDONALD AND THE KILLER NURSE

Produced for ITV

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In Sir Trevor McDonald's first year reading News at Ten, he covered the extraordinary case of one of Britain's worst serial killers: a young nurse.

In 1991, 22-year-old nurse Beverly Allitt murdered four children in her care, and attacked a further nine, at Grantham Hospital in Lincolnshire. In 2018, 25 years after he first reported on her conviction, Sir Trevor returned to shed new light on a case that has fascinated him ever since.



**An important  
and enlightening  
documentary**

- *Times*

# CHALLENGING DEBATE

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## GENDERQUAKE: THE DEBATE

Produced for Channel 4

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Over the past five years gender-fluidity has exploded into public consciousness. Chaired by Channel 4 News presenter Cathy Newman, and featuring panellists including model and activist Munroe Bergdorf, leading feminist and academic Germaine Greer and US Television personality and Olympic gold medal winner Caitlyn Jenner, this thought-provoking studio debate explored why this is happening and what it means for the future, asking questions such as whether new gender identities are being adopted by a new generation of millennials, and whether sex and gender have always been far more fluid than we thought?

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## THE REAL BREXIT DEBATE

Produced for Channel 4

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Krishnan Guru-Murthy chaired a live debate, with four high-profile politicians representing the main divisions between MPs on Brexit and an audience with diverse perspectives. The show tackled the key issues people across the country care about, and examined the genuine options left open for the United Kingdom, as opposed to just debating the viewpoints of the Prime Minister and the leader of the opposition.







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## JEREMY VINE

Produced for Channel 5

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In September 2018, award-winning TV and radio broadcaster Jeremy Vine became the new presenter of Channel 5's daily current affairs programme, produced by ITN Productions.

The show, filmed before a live audience in ITN's central London studios, sees Jeremy and co-host Storm Huntley tackling the biggest news, issues and stories from around the UK, transmitting for two hours every weekday morning.



**Jeremy's intellect, energy and wit, make him the perfect choice to present our daily current affairs show**

*- Ben Frow,  
Director of Programmes  
Channel 5*

# INNOVATION



## ITV NEWS DIGITAL STUDIO

### Online Series

ITV News made a major strategic move in its online offering by creating a new multi-purpose digital studio and launching a new strand of innovative web series for online viewers.

Fronted by high-profile ITV News journalists including Robert Peston, Mary Nightingale, Julie Etchingham and Rageh Omaar, these new programme formats have allowed ITV News to expand into a whole new world of content and ideas, whilst targeting audience demographics that traditional broadcast news can sometimes find hard to reach.

## AUDIBLE PARTNERSHIP

Produced for Amazon

ITN Productions was commissioned to produce six new podcasts for Audible, Amazon's audio entertainment service, covering subjects ranging from tales of survival and success, to literary history and the future of technology.

The first release, *Escape From Jonestown*, debuted on the platform in early November, and features a chilling personal account of the Jonestown massacre told over six episodes. Other projects include the ten-part series *Bear Grylls' Survival Stories*, and *Artificial Intelligence: Friend or Foe?* in which technology correspondent Geoff White explores AI and its effects on society.







## WAYS TO CHANGE THE WORLD

Channel 4 News Podcast

How can you change the world? Each week, Krishnan Guru-Murthy and his guest explore the big ideas influencing how we think, act and live.

Launched in 2018, this new podcast from Channel 4 News features in-depth conversations with a wide range of guests including Damon Albarn, Rose McGowan, Michaela Coel and Jameela Jamil, amongst others. The show was named in Apple's 'Best Podcasts of 2018' list, and was the recipient of a Visionary Honours Award, which recognises social impact in the arts and entertainment industries.

## UNCOVERED

Produced for Facebook Watch

Channel 4 News announced a partnership with Facebook to produce a news show, 'Uncovered,' exclusively for Facebook Watch. 'Uncovered' is an in-depth and engaging news and analysis programme from Channel 4 News' award-winning team of correspondents, who will go beyond the headlines to tackle the stories that often go unreported, focusing on one single major international issue each week. The 10-minute episodes will deliver serious, impactful and revelatory journalism every week.



# INNOVATION

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## THE NATIONAL LOTTERY RESULTS

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Produced for Camelot

The National Lottery results were broadcast live on ITV on Saturday nights for the first time after appearing on the BBC for 24 years.

The innovative 'media first' 90-second adverts were presented by Stephen Mulhern during the ad breaks of ITV's primetime Saturday night coverage, with the first episode broadcast during Britain's Got Talent.

"I feel privileged to be bringing those lucky numbers to the nation," says Stephen Mulhern. "But also being able to show players how the money they've helped raise has made a difference to communities across the UK."

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## VIRTUAL REALITY EDUCATION

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ITN Productions Education

ITN Productions Education has been developing new techniques using video for language learning, including fun and engaging game show-style quizzes and set in 360-degree virtual reality environments. VR offers the ability to immerse students in real-world scenarios, and the Education team has been piloting a product in partnership with Pearson Education and Blend Media. Students are invited to 'explore' a particular location where they can watch videos and other content, before completing an assessment on what they've seen.



# CHAIR'S STATEMENT

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## CHRISTY SWORDS

Chair

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### **ITN returned to operating profit growth in 2018, despite a trading environment which continues to be challenging.**

It's been a year of solid commercial performance, in which ITN revenues increased slightly to £126.9m (2017: £126.4m), while operating profit grew by 14% to £6.6m (2017: £5.8m).

Across the company we produced work of a wider variety than ever, broadcasting the type of high-impact journalism with which ITN's name is synonymous, such as the huge exclusives on Cambridge Analytica and the Salisbury poisoning, while also making critically-acclaimed long-form television programmes such as the RTS-nominated *Michael Palin in North Korea*.

Once again, ITN's work has been widely lauded, receiving numerous major awards and industry honours, a fitting tribute to what has been a truly exceptional twelve months.

In 2019, ITN will welcome its new CEO, Anna Mallett, who joins from BBC Studios where she is Chief Operating Officer and MD of Productions. Anna is a proven leader with a formidable track record and an impressive commercial background. She will bring her considerable expertise, energy and strategic vision to ITN, and we look forward to her joining in April.

Anna takes over from John Hardie, who we said farewell to at the end of 2018. John took the decision to step down following nine transformative years, during which he led a real turnaround in the fortunes of ITN, developing it into a thriving and profitable business and overseeing a period of sustained growth. On behalf of the Board, I would like to once again thank John for his efforts during his time at the Company and wish him all the very best for the future.

There were departures on the Board, too, primarily due to changes at the shareholder companies. We said goodbye and thank you for your services to Maggie Carver, Andrew Garard, Graham Brown and Lord Rothermere. In turn, I'm delighted to welcome our newest Board members, Charlie Cox, Andrew Mullins and Magnus Brooke, shareholder representatives for Daily Mail & General Trust, Informa plc and ITV plc, respectively. We're thrilled that the Company will be able to count on their experience and wisdom in the coming months and years.

In 2018, ITN continued to demonstrate its commitment to diversity and representation. We became one of the first media organisations in the country to voluntarily publish its BAME Pay Gap figures, and we have set tough targets to drive improvement, including reducing both the gender and BAME pay gaps by half by 2022. We are doing this through a whole host of industry-leading initiatives, and we are already seeing progress, with our gender pay figures showing a significant improvement.

On behalf of the Board, I would like to thank everyone at ITN for their tireless efforts in yet again producing such a huge range of fantastic work of which we can all be rightly very proud. The Board is confident that in this new era under Anna's leadership, ITN is well-positioned to deliver continued growth and further achievements over the coming years.



## BOARD OF DIRECTORS

### 1. BRYAN MARTIN Acting Chief Executive Officer and Chief Financial Officer

Bryan was appointed Chief Financial Officer of ITN in 2009 having spent six months as a Finance Consultant to ITN. Having initially trained and qualified with PwC, Bryan spent the next 16 years working at Reuters, progressing to a very senior level within finance. He spent his last three years at Reuters as Global Head of Finance, reporting to the Group CFO. Bryan became Acting CEO of ITN in January 2019.

### 2. CHRISTY SWORDS Chair

Christy is the Director for Finance and Operations for ITV Broadcasting and Online. He has undertaken a number of roles across ITV, including as Director of Regulatory Affairs, Director of Investor Relations and Launch Director for ITV Encore and ITVBe. Christy sits on the ITV Broadcasting Board and has represented the company on the boards of YouView, Freesat, Digital UK, BARB and Britbox US. Prior to ITV, Christy worked in public affairs for GPC and Prima Europe, and for Japanese broadcaster NHK in London and Tokyo.

### 3. GEERT LINNEBANK

Geert is Reuters News & Media Limited's representative on the Board. Geert was Editor-in-Chief of Reuters from 2000 to 2006, and Reuters Global Head of Content from 2002 to 2006. He joined Reuters as a Correspondent covering European Union affairs in Brussels in 1983. Previously, Geert was a Correspondent for AP-Dow Jones.

### 4. ANDREW MULLINS

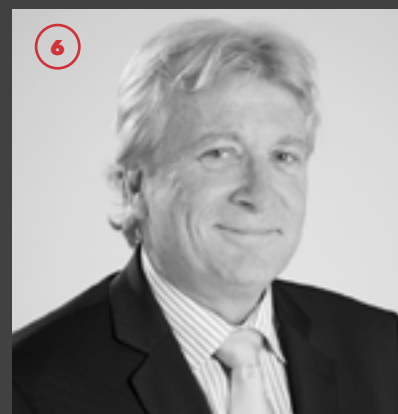
Andrew joined Informa PLC in September 2014, becoming CEO of its newly-formed Knowledge and Networking Division (KNect365). He has worked at Lever Brothers (Unilever), Diageo, News International and Associated Newspapers. Andrew was MD at the London Evening Standard, and in May 2010 also became MD of the Independent. He remains on the Boards of ESL and London Live as a Non-Executive Director, a role he also held at Which? Limited, from 2011 to 2016.

### 5. MAGNUS BROOKE

Magnus Brooke is Director of Policy and Regulatory Affairs at ITV plc with overall responsibility for ITV's policy and regulatory strategy and its interaction with UK and European regulators and government. Magnus is a non-executive Director of a number of ITV subsidiaries and joint venture companies including SDN, Freesat and Digital UK and from 2014-19 he was Chairman of the Board of the Brussels based Association of Commercial Television in Europe. Prior to joining ITV in July 2006 he was Head of the BBC Director General's Office for three years. Magnus began his career as a solicitor specialising in regulatory and competition law.

### 6. CHARLIE COX

Charlie has been a senior media executive in the UK and internationally for more than 30 years. His current role is as an advisor to DMGT, an organisation with which he has been involved for more than 25 years as an executive and consultant, in sectors including print, digital publishing and broadcasting. Most recently Charlie was CEO of Metro, and previously led the restructure of the US digital publisher Elite Daily after it was acquired by DMG Media. Charlie began his career as a journalist in Sydney.



## EXECUTIVE TEAM

### 1. CHRIS SHAW Acting Editor-in-Chief

Chris is the Creative Director of ITN Productions and, as of January 2019, Acting Editor-In-Chief of ITN. He has been in television and radio for more than 25 years, starting as a news reporter and producer. Chris has held senior positions on every commercial news programme in the UK. He has also done extensive field work in hostile environments such as Bosnia, Croatia, Iraq, Iran and Ethiopia.

### 2. GEOFF HILL Editor, ITV News

Geoff 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 he worked for ITN for nearly a decade from 2000 until 2009 where he held senior input and output positions at ITV News, rising to Programme Editor, with responsibility for the flagship News at Ten.

### 3. RACHEL CORP Acting Editor, ITV News

Rachel was appointed acting editor/deputy editor of ITV News in November 2017. Previously she had been editor of 5 News, as well as holding a number of senior editorial roles in ITV News, including as editor of ITV News London. She began her ITN career as a trainee, spending time at 5 News as part of its launch team before taking up a series of roles covering major stories in the UK and abroad for ITV News. Rachel also spent time in Russia as the BBC's senior Moscow producer.

### 4. BEN DE PEAR Editor, Channel 4 News

Ben 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, prompting 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.

### 5. CAIT FITZSIMONS Editor, 5 News

Cait was appointed Editor of 5 News in February 2018, having held the post of Deputy Editor for four years. Previously Cait was part of the Sky News team that won a Bafta for its coverage of the Soham murders in 2002, and was a Programme Editor at ITV News for the relaunch of News at Ten in 2008, where she also worked on ITV's Election 2010 programme and its Royal Wedding coverage in 2011.

### 6. SARAH VAUGHAN-BROWN Director of Corporate Communications

Sarah joined ITN in November 2008 and is responsible for driving the company's PR 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.

### 7. ALEXANDRA STANDFAST Interim Director of Human Resources

Alexandra joined ITN as Interim HR Director in January 2019 and is responsible for leading the HR function as well as providing strategic and operational HR direction to the ITN Executive ensuring it actively contributes to business goals. She previously worked at Viacom, where she held a number of senior HR roles, subsequently heading up the UK HR team as Group HR Director. Prior to that Alexandra spent 5 years at ITN partnering with the newsrooms to help deliver all components of people related strategy.

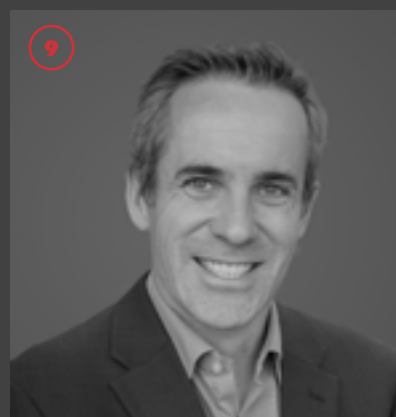
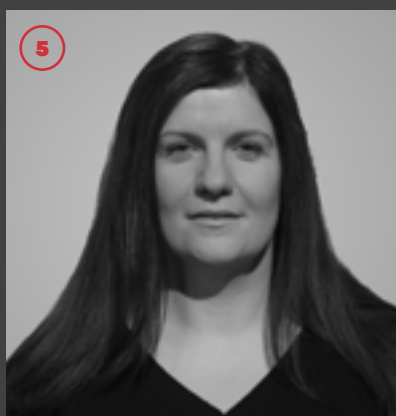
### 8. JAMES SCORER General Counsel and Company Secretary

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

### 9. 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.





**Company Registration No. 00548648 (England and Wales)**

**INDEPENDENT TELEVISION NEWS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**INDEPENDENT TELEVISION NEWS LIMITED  
COMPANY INFORMATION****Directors**

B R Martin  
C J Swords  
G W Linnebank  
C R Cox (appointed 28 November 2018)  
A O Mullins (appointed 15 November 2018)  
M H Brooke (appointed 30 January 2019)

**Secretary**

J H Scorer

**Company number**

00548648

**Registered office**

200 Grays Inn Road  
London  
WC1X 8XZ

**Statutory Auditor**

Deloitte LLP  
London  
EC4A 3BZ

**Business address**

200 Grays Inn Road  
London  
WC1X 8XZ

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present the strategic report for the year ended 31 December 2018.

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 2018, 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 and the Chair's Statement in the Annual Report and Accounts.

### Business review

Group operating profit has increased in the year by 14% to £6.6m (2017: £5.8m). News profit grew by £0.4m or 5% (2017: 3%) on the back of contract inflationary increases and ITN Productions profit grew by £0.7m or 21% (2017: 31% decline) reflecting a return to profitability in the Advertising Production business and growth in Productions News programming. This growth in the operating businesses was partially offset by the net year-on-year impact of various one-off central cost items.

Profit before tax decreased 64% to £1.3m (2017: £3.7m) as operating profit growth of £0.8m was largely offset by the non-recurrence of the £2.6m exceptional gain arising upon the sale of ITN's stake in the Diagonal View joint venture in 2017. In addition, pension interest costs fell by £1.0m in the year but this was offset by a one-off 2018 pension charge of £1.5m to equalise Guaranteed Minimum Pensions (GMPs) between men and women.

### Operating performance

ITN revenues increased marginally to £126.9m in the year (2017: £126.4m). News revenues increased 1% to £88.9m (2017: £87.8m), mainly due to contract inflation increases. Revenues from ITN Productions decreased by 2% to £38.0m (2017: £38.6m) but, after excluding the impact of the previously announced closure of the archive sales and representation business which was implemented mid-2017, ITN Productions revenues grew by 5%.

### News

ITV News had a number of significant achievements and highlights in 2018. For the third successive year the Lunchtime News, the Evening News and News at Ten saw a year-on-year increase in audience share. Coverage reporting included the catastrophic earthquake in Indonesia, horrific yet compelling footage from the continuing Syrian conflict, the twists and turns of the Trump administration in the US and triumphant England progress at a gripping World Cup in Russia. We broke new ground with the County Lines drug trafficking stories and, throughout the year, the Westminster team delved deep into Brexit, cutting through the confusion to get to the heart of the political story, covering all Brussels developments and always finding the human angle.

The Royal Wedding was a major good news story for ITV News in 2018. Not only did we produce a five-hour special wedding programme which won critical acclaim with a jaunty, fun presenting line-up of Julie Etchingham and Phillip Schofield, but our news coverage excelled, delivering bright and fresh coverage of the day's events. Alongside this, we produced specials for Britbox in the US and a highlights programme for ITV2. Continuing the royal theme, our current affairs team produced a one hour special on Harry and Meghan's first Royal Tour in the South Seas.

ITV News Digital Studio went live in 2018 and produced a tranche of new and original programming for our digital brand. All was made available on numerous digital platforms, provided in-depth analysis and was presented by our key talent. Examples included Royal Rota with Chris Ship, Young British and Muslim with Rageh Omar, Julie Etchingham's Ask A Woman, Acting PM with Paul Brand and Now What with Robert Peston.

ITV News London presenter Nina Hossain was named Nations and Regions Presenter of the Year for the second year in succession.

Channel 4 News had an exceptional year, opening with its multi-award-winning investigation into Cambridge Analytica. The investigation had global ramifications and reach, the impact of which is still being felt. Closer to home the focus on homelessness and deaths on the streets led to government policy changes. The programme claimed a record seven RTS awards and was described by the judges as demonstrating "the greatest journalistic excellence throughout the year, with its ground-breaking investigations, high impact journalism at home and abroad and powerful interviews."

The Channel 4 Digital team won a BAFTA for its podcast series "Ways to Change the World" and was awarded a significant contract by Facebook to deliver weekly in-depth content for their new platform, Facebook Watch, from the beginning of 2019.

## STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

5 News continues to lead with stories that are bold and distinctive from the other major terrestrial news outlets. The Healing Minds series, run over four evenings and fronted by Sian Williams, brought new insight into the operation of Langley Green, a mental health unit in Sussex. Our Stillbirth: Still a Taboo featured an audience who shared the trauma of their personal experiences. The Big Freeze: Live, a two-hour prime-time live special was broadcast on the worst day of winter weather experienced in Britain for years, and this was followed later in the year by another special, Heatwave: Scorched Britain.

### Productions

Television Production faced a challenging year with tough market conditions in the US and broadcasters deferring delivery of a number of programmes. This resulted in a 23% reduction in revenue to £15.2m. Notwithstanding, there were a number of significant on-screen successes. These included Royal Wedding coverage on both sides of the Atlantic and Trevor McDonald's return to ITN. Michael Palin in North Korea and the Jeremy Vine show also received critical acclaim and ratings success.

Advertising Production had an excellent year, with a 79% increase in revenue to £5.4m, bouncing back from a difficult market in 2017. New business wins included the Camelot National Lottery Results shows, which broadcast the lottery results live in ITV prime-time ad breaks every Wednesday and Saturday evening. We also delivered programmes for high-profile clients over the Christmas period such as Marks & Spencer, Tesco and Visa, and continued our long-running relationship with Matalan creating content for digital and TV campaigns across the year.

Sports Production continued to perform strongly with a 14% increase in revenue to £5.1m. After three successful years the team won an extension on its contract to provide coverage of English Football League games. The Sports team also began to provide host broadcaster services to the International Association of Athletics Federations (IAAF) covering World Tour events in Dusseldorf, Karlsruhe and Torun.

Digital Content Services revenues increased by 8% to £12.2m. This was driven by a combination of growth in Industry News with 280 films sold in the year (2017: 245), increased News Productions revenues which benefited from coverage of popular stories such as the Royal Wedding and increased Education business reflecting a new contract for the provision of content to Pearson. This growth more than offset reduced revenue from the Archive business.

### Cash management

At 31 December 2018, ITN had £8.9m of cash, up £0.6m on the prior year (2017: £8.3m) due to the timing of working capital receipts and payments.

### Future prospects

ITN's 2019 news revenue is expected to be consistent with 2018. Market conditions for ITN Productions will remain challenging in 2019 but revenue growth is expected due to our contract to host broadcast IAAF events, in particular the World Championships in Doha in September 2019. Overall 2019 ITN operating profit is expected to grow modestly.

## Principal risks and uncertainties

### 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 controls and risk management in the operations of the business, as areas for improvement come to the attention of the Board and management.

### Brexit

ITN continues to monitor the potential impact of Brexit across its businesses. It is envisaged that there may be a number of short-term practical implications to the extent ITN employees travel and perform activities within Europe, but these are not considered to represent a major operational risk at this stage. There is also potential for client buying decisions to slow in the face of Brexit uncertainty and, depending on the outcome, there may be some impact on our reported financials from foreign exchange movements.

## **STRATEGIC REPORT (continued)**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **Financial Risks**

##### **ITN Pension Scheme funding risk**

The ITN Pension Scheme has a significant funding deficit as detailed in Note 20 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 2017 Triennial Actuarial Valuation, which showed a deficit of £97.6m. 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. The accounting deficit has increased by £2.4m to £125.7m (2017: £123.3m).

##### **Reliance on key contracts**

The Group generates a reducing but still substantial portion of its revenue from a number of key customers, notably ITV and Channel 4. Damage to or loss of any of these relationships could have a direct and potentially material effect on the Group's results. The Group enters into long-term contracts with its key customers which mitigate the risk. The Executive Directors regularly meet with key customers and review the relationships to ensure that the Group continues to meet their respective needs.

#### **Reputational risks**

##### **Damage to journalistic reputation**

ITN's reputation for journalistic integrity could be damaged if there is a major editorial error or regulatory breach or ITN is perceived as failing to produce accurate and impartial news. ITN has strict internal compliance processes, 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 ITN's Compliance Manual as part of their induction and this is periodically updated and reissued. Staff are provided with regular compliance training.

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

The Group's ability to meet its requirements under its broadcast and production agreements is dependent on the Group's broadcast and information technology systems. Any system interruption due to incidents such as denial of service 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 Directors 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.



**STRATEGIC REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018****Control risks****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.
- ▶ 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 Chief Financial Officer has responsibility for functional leadership and development of the Group's finance activities.

**Non-financial controls**

The Group 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 Executive Team and the Board and through the quarterly senior management Compliance Meeting.

By order of the Board

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JH Scorer  
Secretary  
8th April 2019

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

The Directors present their Annual Report and audited financial statements for the year ended 31 December 2018.

### **Principal activities**

The principal activities of the Group are described as:

- ▶ Provision of daily scheduled news programmes for ITV, Channel 4 and Channel 5;
- ▶ Provision of television programmes across factual, entertainment and current affairs genres for both national and international broadcasters;
- ▶ Production of television commercials and branded content;
- ▶ Production of live sports coverage, clips and programmes;
- ▶ Digital Content Services including licensing on-the-day news, industry news, archive footage and short form content for online and mobile.

### **Directors**

The Directors who held office during the year, except as noted, were as follows:

B R Martin

C J Swords

G W Linnebank

J M Hardie (resigned 31 December 2018)

M A M Carver (resigned 29 September 2018)

A S Garard (resigned 31 December 2018)

G R Brown (resigned 27 March 2018)

Lord Rothermere (appointed 28 March 2018, resigned 27 November 2018)

C R Cox (appointed 28 November 2018)

A O Mullins (appointed 15 November 2018)

M H Brooke (appointed 30 January 2019)

### **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 and is chaired by C J Swords. To enable the Board to perform its duties, the Directors have full access to all relevant information and to the services of the Company Secretary.

### **The Audit Committee**

The Audit Committee currently comprises all Non-Executive Directors with A O Mullins as Chair. The Executive Directors attend the Audit Committee as requested. 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 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 Chair. The Committee does not retain a firm of remuneration consultants, but may seek professional advice on an ad hoc basis.

## **DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018**

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, market trends, the UK inflation rate and Group Performance. 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 2018: one for the three years ended 31 December 2018 and one for the three years ended 31 December 2019. 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 41.

No interim dividends were paid (2017: £nil). The Directors do not recommend payment of a final dividend (2017: £nil).

## **Financial risk management**

### **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 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 news bureaux and ITN Productions' operations.

### **Going concern**

The Group made a profit after tax of £1,239,000 in the year to 31 December 2018. It had net current assets of £6,437,000. The Group's activities are funded out of operating cash flows.

At 31 December 2018, the ITN Pension Scheme had a deficit under Financial Reporting Standard 102 of £125,672,000 (Note 20). The triennial actuarial valuation of the scheme at 31 December 2017 and associated recovery plan were completed in 2018 showing a deficit of £97,600,000. 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.

## **DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018**

### **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 had 712 employees at 31 December 2018, and also engages freelancers who are contracted on specific assignments and projects.

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 employees' 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.

A cross-company staff forum (ITN Voice) has also been established to give a voice to every part of ITN and generate ideas to improve employees' working lives.

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, oversee 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.

2018 saw continued success in the ITN apprenticeship scheme which rotates the apprentices around areas of the business to gain an understanding of every aspect of what we do at ITN, before specialising in a particular field for the second half of their apprenticeship.

### **Directors' indemnity**

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) were in force during the year and up to and including the date of the Directors' report for the benefit of the Directors of the Company.

### **Auditor**

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

### **Statement of disclosure to auditor**

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 auditor of the Company and Group is 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 auditor of the Company and Group is aware of that information.

By order of the Board

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J H Scorer  
Secretary  
8th April 2019

**DIRECTORS' RESPONSIBILITY STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDEPENDENT TELEVISION NEWS LIMITED

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Independent Television News Limited (the 'company'):

- ▶ give a true and fair view of the state of the company's affairs as at 31/12/2018 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Independent Television News Limited (the 'parent company') and its subsidiaries (the 'group') which comprise:

- ▶ the profit and loss account;
- ▶ the statement of comprehensive income;
- ▶ the balance sheet;
- ▶ the statement of changes in equity;
- ▶ the cash flow statement;
- ▶ the statement of accounting policies; and
- ▶ the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- ▶ the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- ▶ the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.



### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

### Opinions 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 or the directors' report.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

**Use of our report**

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.

Jon Young FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
8th April 2019

**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £'000	2017 £'000
Revenue	<b>3</b>	126,920	126,444
Cost of sales		(102,679)	(104,606)
<b>Gross profit</b>		<b>24,241</b>	<b>21,838</b>
Administrative expenses		(17,626)	(16,045)
<b>Operating Profit</b>	<b>4</b>	<b>6,615</b>	<b>5,793</b>
Income from other fixed asset investments	<b>8</b>	467	476
Other investment income	<b>8</b>	32	9
Other finance costs	<b>9</b>	(4,238)	(5,231)
Other gains and losses	<b>10</b>	-	2,623
Share of losses of joint venture	<b>13</b>	(68)	-
Past service pension costs	<b>20</b>	(1,500)	-
<b>Profit on ordinary activities before taxation</b>		<b>1,308</b>	<b>3,670</b>
Taxation	<b>11</b>	(69)	(431)
<b>Profit for the financial year</b>		<b>1,239</b>	<b>3,239</b>

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 2018**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Profit for the year</b>	<b>1,239</b>	<b>3,239</b>
Actuarial (loss) / gain on defined benefit pension schemes	(3,218)	34,838
Tax relating to other comprehensive income	445	(6,079)
<b>Other comprehensive (loss) / profit for the year</b>	<b>(2,773)</b>	<b>28,759</b>
<b>Total comprehensive (loss) / profit for the year</b>	<b>(1,534)</b>	<b>31,998</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	Notes	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Property, plant and equipment	12	8,316	8,152
Investments	13	345	370
Deferred Tax	16	21,357	21,145
		<b>30,018</b>	<b>29,667</b>
<b>Current assets</b>			
Inventories and work in progress	15	1,397	761
Trade and other receivables	16	28,432	25,811
Cash and cash equivalents		8,919	8,313
		<b>38,748</b>	<b>34,885</b>
Current liabilities	17	(32,311)	(28,467)
<b>Net current assets</b>		<b>6,437</b>	<b>6,418</b>
<b>Total assets less current liabilities</b>		<b>36,455</b>	<b>36,085</b>
Provisions for liabilities	18	(2,010)	(2,434)
Defined benefit pension liability	20	(125,672)	(123,344)
<b>Net liabilities</b>		<b>(91,227)</b>	<b>(89,693)</b>
<b>Equity</b>			
Called-up share capital	21	400	400
Profit and loss account		(91,627)	(90,093)
<b>Total equity</b>		<b>(91,227)</b>	<b>(89,693)</b>

The financial statements were approved by the Board of Directors and authorised for issue on 8th April 2019 and are signed on its behalf by:

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B R Martin  
Director  
8th April 2019  
**Company Registration No. 00548648**

**COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	Notes	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Property, plant and equipment	<b>12</b>	8,316	8,152
Investments	<b>13</b>	-	25
Deferred Tax	<b>16</b>	21,357	21,145
		<b>29,673</b>	<b>29,322</b>
<b>Current assets</b>			
Inventories and work in progress	<b>15</b>	1,397	761
Trade and other receivables	<b>16</b>	28,852	26,155
Cash and cash equivalents		8,567	7,893
		<b>38,816</b>	<b>34,809</b>
Current liabilities	<b>17</b>	(32,311)	(28,363)
<b>Net current assets</b>		<b>6,505</b>	<b>6,446</b>
<b>Total assets less current liabilities</b>		<b>36,178</b>	<b>35,768</b>
Provisions for liabilities	<b>18</b>	(2,010)	(2,434)
Defined benefit pension liability	<b>20</b>	(125,672)	(123,344)
<b>Net liabilities</b>		<b>(91,504)</b>	<b>(90,010)</b>
<b>Equity</b>			
Called-up share capital	<b>21</b>	400	400
Profit and loss account		(91,904)	(90,410)
<b>Total equity</b>		<b>(91,504)</b>	<b>(90,010)</b>

The Directors of the Company have elected not to include a copy of the profit and loss account within the financial statements. The Company profit for the year was £1,279,000 (2017: £2,445,000).

The financial statements were approved by the Board of Directors and authorised for issue on 8th April 2019 and are signed on its behalf by:

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B R Martin  
Director  
8th April 2019  
**Company Registration No. 00548648**



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Called-up share capital £'000	Profit and loss account £'000	Total £'000
<b>Balance at 1 January 2017</b>		<b>400</b>	<b>(122,091)</b>	<b>(121,691)</b>
Year ended 31 December 2017:				
Profit for the year		-	3,239	3,239
Other comprehensive income:				
Actuarial gains on defined benefit plans	<b>20</b>	-	34,838	34,838
Tax relating to other comprehensive income	<b>11</b>	-	(6,079)	(6,079)
<b>Total comprehensive profit for the year</b>		<b>-</b>	<b>31,998</b>	<b>31,998</b>
<b>Balance at 31 December 2017</b>		<b>400</b>	<b>(90,093)</b>	<b>(89,693)</b>
Year ended 31 December 2018:				
Profit for the year		-	1,239	1,239
Other comprehensive income:				
Actuarial losses on defined benefit plans	<b>20</b>	-	(3,218)	(3,218)
Tax relating to other comprehensive income	<b>11</b>	-	445	445
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>(1,534)</b>	<b>(1,534)</b>
<b>Balance at 31 December 2018</b>		<b>400</b>	<b>(91,627)</b>	<b>(91,227)</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Called-up share capital £'000	Profit and loss account £'000	Total £'000
<b>Balance at 1 January 2017</b>		<b>400</b>	<b>(121,614)</b>	<b>(121,214)</b>
Year ended 31 December 2017:				
Profit for the year		-	2,445	2,445
Other comprehensive income:				
Actuarial gains on defined benefit plans	<b>20</b>	-	34,838	34,838
Tax relating to other comprehensive income	<b>11</b>	-	(6,079)	(6,079)
<b>Total comprehensive profit for the year</b>		<b>-</b>	<b>31,204</b>	<b>31,204</b>
<b>Balance at 31 December 2017</b>		<b>400</b>	<b>(90,410)</b>	<b>(90,010)</b>
Year ended 31 December 2018:				
Profit for the year		-	1,279	1,279
Other comprehensive income:				
Actuarial losses on defined benefit plans	<b>20</b>	-	(3,218)	(3,218)
Tax relating to other comprehensive income	<b>11</b>	-	445	445
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>(1,494)</b>	<b>(1,494)</b>
<b>Balance at 31 December 2018</b>		<b>400</b>	<b>(91,904)</b>	<b>(91,504)</b>

**INDEPENDENT TELEVISION NEWS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £'000	2017 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations before pension scheme cash movements	<b>28</b>	9,699	3,945
Pension scheme cash movement		(6,565)	(6,385)
Cash generated from operations		<b>3,134</b>	<b>(2,440)</b>
Consortium relief received		143	-
Income taxes paid		(131)	-
<b>Net cash inflow/(outflow) from operating activities</b>		<b>3,146</b>	<b>(2,440)</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(3,065)	(1,943)
Proceeds on disposal of property, plant and equipment		1	-
Proceeds on disposal of joint ventures		-	2,623
Interest received		32	9
Other investment income received		492	476
<b>Net cash (used)/ generated in investing activities</b>		<b>(2,540)</b>	<b>1,165</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>606</b>	<b>(1,275)</b>
Cash and cash equivalents at beginning of year		8,313	9,588
<b>Cash and cash equivalents at end of year</b>		<b>8,919</b>	<b>8,313</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 1. Accounting policies

#### Company information

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

The Group consists of Independent Television News Limited and all of its subsidiaries.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report on pages 30-33.

#### 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 £'000, unless otherwise stated.

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.

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 is disclosed below the Company Statement of Financial Position.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, and presentation of a cash flow statement.

#### 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 £1,239,000 in the year to 31 December 2018. It had net current assets of £6,437,000. The Group's activities are funded out of operating cash flows.

At 31 December 2018, the ITN Pension Scheme had a deficit under Financial Reporting Standard 102 of £125,672,000 (Note 20). The triennial actuarial valuation of the scheme at 31 December 2017 and associated recovery plan were completed in 2018 showing a deficit of £97,600,000. 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. Accounting policies (continued)

### 1.4 Revenue

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

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.

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 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:	4-5 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 Group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities. These are accounted for under the equity method in the Group balance sheet and the lower of cost and net realisable value in the Company balance sheet.

### 1.7 Inventory 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 customer. The work in progress is recognised within current assets as production cost incurred and is recognised on delivery. Inventories and work in progress are recognised at the lower of cost and net realisable value.

### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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. Accounting policies (continued)

### 1.9 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 derecognised only when the contractual rights to the cash flows from the asset expire, or when the Group 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 and loans from fellow Group companies 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 derecognised when, and only when, the obligation specified in the contract is discharged, cancelled, or expires.

### 1.10 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.

### 1.11 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

## 1. Accounting policies (continued)

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.

### 1.12 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.

Under the terms of a number of property leases, the Group is required to reinstate certain aspects of the property on lease expiry. The Group has estimated the expected present value costs of these dilapidations and charges these costs to the income statement with the associated unwinding also going to the income statement.

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 discounts 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.

### 1.13 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 fixed 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.

### 1.14 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.

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.

### 1.15 Leases

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. Accounting policies (continued)

### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing in the finance system 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. Critical accounting 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.

There are no critical accounting judgements for consideration, but the key sources of estimation uncertainty are detailed below.

### ***Valuation of the pension scheme liability***

Measurement of the defined benefit pension liability requires estimation of a suitable discount rate, expected rate of inflation and future benefit payments along with assumptions about mortality rates. The most significant of these are the discount rate and inflation assumptions. The net pension liability as at the balance sheet date was £125.7 million (2017: £123.3 million) as set out in Note 20.

### ***Deferred tax assets***

Recoverability of deferred tax assets requires estimation of the future profitability of the Group and in particular the ability of the Company to generate profits in excess of pension contributions. Management's assessment of future profitability provides the expectation that profits will be sufficient to cover pension funding, and hence utilise the deferred tax pension asset. The deferred tax asset at the balance sheet date was £22.7 million (2017: £22.3 million) as set out in Note 19.



### 3. Revenue

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

	2018	2017
	£'000	£'000
<b>Revenue</b>		
News	88,935	87,835
Productions	37,985	38,609
	<b>126,920</b>	<b>126,444</b>

Revenue analysed by geographical market:

	2018	2017
	£'000	£'000
United Kingdom	118,593	113,949
Rest of the World	8,327	12,495
	<b>126,920</b>	<b>126,444</b>

### 4. Operating profit

	2018	2017
	£'000	£'000
<b>Operating profit for the year is stated after charging/(crediting):</b>		
Exchange (gains) / losses	(20)	156
Depreciation of owned property, plant and equipment	2,897	2,932
Loss / (profit) on disposal of property, plant and equipment	2	(4)
Restructure Costs (I)	-	1,071
Operating lease charges	4,586	4,383
Salary security insurance receipts	(311)	(415)

(I) Restructuring costs arose in 2017 following an overall business review in light of a market downturn and subsequent restructure.

## 5. Auditor's remuneration

	2018 £'000	2017 £'000
<b>Fees payable to the Company's auditor and its associates:</b>		
<b>For audit services</b>		
Audit of the financial statements of the Group and Company	71	68
	71	68
<b>For other services</b>		
Taxation compliance services	83	38
Other taxation services	80	29
	163	67

For the year ended 31 December 2018, the Company has taken the exemption under section 479C of the Companies Act 2006 relating to the audit of its subsidiary accounts.

## 6. Employees

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

	2018 Number	2017 Number
Editorial and Technical	544	529
Sales, Administration and Management	172	183
	<b>716</b>	<b>712</b>

Their aggregate remuneration comprised:

	2018 £'000	2017 £'000
Wages and salaries	46,450	44,527
Social security costs	4,926	4,512
Pension costs	3,257	3,159
	<b>54,633</b>	<b>52,198</b>

## 7. Directors' remuneration

	2018	2017
	£'000	£'000
Remuneration for qualifying services	1,360	1,121
Payment in lieu of notice	177	-
Amounts receivable under long term incentive schemes	179	184
Company pension contributions to defined contribution schemes	5	20
	<b>1,721</b>	<b>1,325</b>

Remuneration for qualifying services includes amounts accrued for bonus purposes. We consider our Executive Directors to be key management personnel. Remuneration for Non-Executive Directors from ITV plc and Informa plc is paid to the shareholder companies and is not received by the individuals.

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2017: 1).

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

	2018	2017
	£'000	£'000
Remuneration for qualifying services (I)	726	552
Payment in lieu of notice	177	-
Amounts receivable under long term incentive schemes	118	121
Company pension contributions to defined contribution schemes	5	20
	<b>1,025</b>	<b>693</b>

(I) 2018 remuneration includes a bonus entitlement, payment of which is fully contingent on gender pay targets being achieved in April 2019.

The Remuneration Committee, which includes representatives of all the shareholders, put in place three-year Long-Term Incentive Plans beginning each year for the years 2016 and 2017. The plans are based on aggregate operating profit reaching certain thresholds over a three-year period, the first payment being made in 2019 for the 2016-2018 plan. The costs of this plan are recognised in current liabilities, and the cost of the 2017-2019 plan are being accrued within Provisions for liabilities and charges (Note 18) based on an assessment of the likely pay-out relating to performance in 2017 and 2018.

## 8. Investment income

	2018	2017
	£'000	£'000
Income from other fixed asset investments	467	476
Other investment income	32	9
	<b>499</b>	<b>485</b>

**9. Finance costs**

	2018	2017
	£'000	£'000
<b>Other finance costs:</b>		
Interest on the net defined benefit pension liability	4,180	5,163
Unwinding of discount on provisions	58	68
<b>Total finance costs</b>	<b>4,238</b>	<b>5,231</b>
Disclosed on the income statement as follows:		
<b>Other finance costs</b>	<b>4,238</b>	<b>5,231</b>

**10. Other gains and losses**

	2018	2017
	£'000	£'000
Gain on disposal of fixed asset investments	-	2,623
	-	<b>2,623</b>

On 30 March 2017 Independent Television News Limited disposed of its shareholding in a joint venture company, Diagonal View Limited, for cash consideration (net of transaction costs) of £2.6m.

## 11. Taxation

	2018	2017
	£'000	£'000
<b>Current tax</b>		
UK corporation tax on profits for the current year	1,058	928
UK corporation tax adjustments in respect of prior years	10	198
<b>Total UK current tax</b>	<b>1,068</b>	<b>1,126</b>
Foreign current tax on profits for the current year	13	67
<b>Total current tax</b>	<b>1,081</b>	<b>1,193</b>
Origination and reversal of timing differences	105	105
Effect of change in rate on deferred tax balance	11	29
Adjustment in respect of prior periods	(220)	(82)
Recognition of previously un-recognised deferred tax assets	(19)	-
Adjustment in respect of pension-related timing differences	(889)	(814)
<b>Total deferred tax</b>	<b>(1,012)</b>	<b>(762)</b>
<b>Total tax charge</b>	<b>69</b>	<b>431</b>

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

	2018	2017
	£'000	£'000
<b>Profit on ordinary activities before taxation</b>	<b>1,308</b>	<b>3,670</b>
Expected UK Corporation tax charge using a rate of 19.00% (2017: 19.25%)	248	707
Tax effect of expenses that are not deductible in determining taxable profit	248	259
Tax effect of income not taxable in determining taxable profit	(224)	(734)
Adjustments in respect of prior years	(228)	116
Foreign tax	2	54
Effect of change in rate on deferred tax balance	11	29
Current year losses carried forward to future periods	12	-
<b>Tax expense for the year</b>	<b>69</b>	<b>431</b>



**11. Taxation (continued)**

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

	2018 £'000	2017 £'000
<b>Current tax arising on:</b>		
Actuarial differences recognised as other comprehensive income	(1,058)	(1,050)
<b>Deferred tax arising on:</b>		
Effect of change in rate on deferred tax balance	169	(627)
Actuarial differences recognised as other comprehensive income	444	7,756
	<b>(445)</b>	<b>6,079</b>

## 12. Property, plant and equipment

### Group and Company:

	Fixed Plant and Equipment £'000	Office and Technical Equipment £'000	Motor Vehicles £'000	Assets Under Construction £'000	Total £'000
<b>Cost</b>					
As at 1st January 2018	9,953	39,963	279	271	50,466
Additions	1,665	1,098	82	220	3,065
Completed Assets	68	175	28	(271)	-
Disposals	-	(220)	(50)	-	(270)
<b>At 31st December 2018</b>	<b>11,686</b>	<b>41,016</b>	<b>339</b>	<b>220</b>	<b>53,261</b>
<b>Depreciation</b>					
As at 1st January 2018	6,838	35,343	133	-	42,314
Provided in year	619	2,230	48	-	2,897
Disposals	-	(216)	(50)	-	(266)
<b>At 31st December 2018</b>	<b>7,457</b>	<b>37,357</b>	<b>131</b>	<b>-</b>	<b>44,945</b>
<b>Carrying amount</b>					
At 31st December 2017	3,115	4,620	146	271	8,152
<b>At 31st December 2018</b>	<b>4,229</b>	<b>3,659</b>	<b>208</b>	<b>220</b>	<b>8,316</b>

**13. Fixed asset investments**

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Investments in subsidiaries	345	345	-	-
Investments in joint ventures	-	25	-	25
	<b>345</b>	<b>370</b>	<b>-</b>	<b>25</b>

**Movements in fixed asset investments****Group**

	Investments in subsidiaries	Investments in joint ventures	Total
	£'000	£'000	£'000
<b>Cost or valuation</b>			
At 1 January 2018	345	25	370
Additions in the year	-	68	68
Share of losses of joint venture	-	(68)	(68)
Distributions in the year	-	(25)	(25)
<b>At 31 December 2018</b>	<b>345</b>	<b>-</b>	<b>345</b>
<b>Impairment</b>			
At 1 January 2018	-	-	-
<b>At 31 December 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount</b>			
At 31 December 2017	345	25	370
<b>At 31 December 2018</b>	<b>345</b>	<b>-</b>	<b>345</b>

**13. Fixed asset investments continued)****Company**

	Investments in subsidiaries £'000	Investments in joint ventures £'000	Total £'000
<b>Cost or valuation</b>			
At 1 January 2018	-	25	25
Distributions in the year	-	(25)	(25)
<b>At 31 December 2018</b>	-	-	-
<b>Impairment</b>			
At 1 January 2018	-	-	-
<b>At 31 December 2018</b>	-	-	-
<b>Carrying amount</b>			
At 31 December 2017	-	25	25
<b>At 31 December 2018</b>	-	-	-

During the year decision was taken to solvently wind up Digital Care Social Enterprise Limited, a joint venture company. The joint venture was formally struck-off the companies register after the reporting date. During the year Independent Television News Limited received a final distribution of £25,000 from the joint venture.

Additions in the year represent costs associated with the incorporation of IAAF Productions Limited, a joint venture company.

## 14. Financial instruments

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	22,225	23,383	21,874	23,308
Equity instruments measured at cost less impairment	345	370	-	25
	22,570	23,753	21,874	23,333
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	28,140	25,543	28,140	25,439

Financial assets consist of trade and other receivables, equity investments and cash. These have been classified as financial assets to the extent that they represent liquid cash deposits, investments in non-derivative equity investments or contractual rights to receive cash or another financial asset from another entity.

Financial liabilities consist of trade payables and other payables, accruals and deferred income. These have been classified as financial liabilities to the extent that they represent contractual obligations to deliver cash or another financial asset to another entity.

## 15. Inventories

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Contract work in progress	1,397	761	1,397	761

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

Inventories recognised as an expense in the period were £761,000 (2017: £1,013,000) for both the Group and the Company.



**16. Trade and other receivables**

	Group		Company	
	2018	2017	2018	2017
Amounts falling due within one year:	£'000	£'000	£'000	£'000
Trade receivables	12,255	8,216	12,255	8,216
Doubtful debt provision	(44)	(42)	(44)	(42)
Amounts due from entities with a shareholding interest in the Company	5,073	6,153	5,223	6,153
Amounts due from subsidiary	327	-	420	353
Other receivables	1,036	745	1,213	736
Prepayments and accrued income	8,430	9,572	8,430	9,572
	<b>27,077</b>	<b>24,644</b>	<b>27,497</b>	<b>24,988</b>
Deferred tax asset (note 19)	1,355	1,167	1,355	1,167
<b>Total Current Debtors</b>	<b>28,432</b>	<b>25,811</b>	<b>28,852</b>	<b>26,155</b>
<b>Amounts falling due after one year:</b>				
Deferred tax asset (note 19)	21,357	21,145	21,357	21,145
<b>Total non-current debtors</b>	<b>21,357</b>	<b>21,145</b>	<b>21,357</b>	<b>21,145</b>

**17. Current Liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade payables	1,550	1,143	1,550	1,143
Amounts due to entities with a shareholding interest in the Company	951	967	951	967
Other taxation and social security	3,220	2,924	3,220	2,924
Other payables	2,280	1,283	2,280	1,179
Accruals and deferred income	24,310	22,150	24,310	22,150
	<b>32,311</b>	<b>28,467</b>	<b>32,311</b>	<b>28,363</b>

**18. Provisions for liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Property	1,606	1,669	1,606	1,669
Salary related	404	765	404	765
	<b>2,010</b>	<b>2,434</b>	<b>2,010</b>	<b>2,434</b>

Provisions are classified as follows:

**Property provision**

A provision is recognised for expected dilapidation claims and an onerous lease. The dilapidation costs are not expected to be incurred until 2023 and 2025 when the leases end. The onerous lease provision reflects the difference between expected future rental costs and rental income until the end of a lease in 2023. The onerous lease provision is utilised annually to offset rental costs in excess of rental income.

**Salary related provisions**

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 as 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 cost of the LTIP plan for the period 2017-2019 is being provided for based on the criteria being met, the likely payout being made in 2020.

The 2016-2018 LTIP plan will be paid out in cash in 2019, and the balance due under this scheme is included in accruals as the plan has now closed and the calculation is no longer uncertain.

**18. Provisions for liabilities (continued)**

	Property	Salary related	Total
Group and Company	£'000	£'000	£'000
<b>At 1 January 2018</b>	<b>1,669</b>	<b>765</b>	<b>2,434</b>
Additional provisions in the year	119	136	255
Utilisation of provision	(225)	(494)	(719)
Unwinding of discount	43	15	58
Other movements (I)	-	(18)	(18)
<b>At 31 December 2018</b>	<b>1,606</b>	<b>404</b>	<b>2,010</b>

(I) Other movement reflects updated assumptions based on current available information.

## 19. 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:

	Assets	Assets
	2018	2017
Group	£'000	£'000
Accelerated capital allowances	904	879
Other short-term timing differences	178	189
Tax losses	110	-
Retirement benefit obligations	21,520	21,244
	<b>22,712</b>	<b>22,312</b>

	Assets	Assets
	2018	2017
Company	£'000	£'000
Accelerated capital allowances	904	879
Other short-term timing differences	178	189
Tax losses	110	-
Retirement benefit obligations	21,520	21,244
	<b>22,712</b>	<b>22,312</b>

	Group	Company
	2018	2018
Movements in the year:	£'000	£'000
<b>Asset at 1 January 2018</b>	<b>22,312</b>	<b>22,312</b>
Charge to the income statement	845	845
Charge to other comprehensive income	(614)	(614)
Effect of change in rate on deferred tax balance charged to other comprehensive income	169	169
<b>Asset at 31 December 2018</b>	<b>22,712</b>	<b>22,712</b>

## 19. Deferred taxation (continued)

During the year ending 31 December 2019, the net reversal of deferred tax assets and liabilities above is expected to decrease the corporation tax charge for the year by £1.4m. 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. The Finance (No.2) Act 2017 was enacted on 16 November 2017. Depending on when the temporary/timing differences are expected to be reversed we have applied a weighted average of the tax rates enacted in this Act for the periods 2019-2022 and beyond to calculate our deferred tax assets. The enacted rates are as follows: 1st April 2017 19% and 1st April 2020 and onwards 17%.

## 20. Retirement benefit schemes

	2018	2017
Defined contribution schemes	£'000	£'000
Charge to profit and loss in respect of defined contribution schemes	3,257	3,159

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 2017 and used the projected unit method. For 2019, the Group is expected to make a maximum contribution as part of the 2017 Pension Recovery Plan of £7.1m (2018: £6.6m) 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:

	2018	2017	2016	2015	2014
	%	%	%	%	%
Discount rate	2.8%	2.6%	2.7%	3.9%	3.7%
Expected rate of increase of pensions in payment	2.9%	2.9%	3.0%	2.7%	2.7%
Rate of increase for deferred pensioners	1.9%	1.9%	2.1%	1.7%	1.7%
Inflation	3.1%	3.1%	3.2%	2.8%	2.8%
Expected return on scheme assets	-	-	-	-	5.6%

For IAS19 purposes, the Company has used the SAPS S2 mortality tables, with probabilities of death reduced by 15% for males and by 10% for females. Allowance for future improvements is made using the CMI 2017 core model with a long term improvement rate of 1% p.a.



**20. Retirement benefit schemes (continued)**

The employee benefit obligations of the scheme were:

	2018	2017	2016	2015	2014
	£m	£m	£m	£m	£m
Present value of funded obligations	(483.9)	(498.5)	(520.3)	(422.5)	(421.8)
Fair value of scheme assets	358.2	375.2	360.9	316.3	323.3
<b>Deficit in the scheme</b>	<b>(125.7)</b>	<b>(123.3)</b>	<b>(159.4)</b>	<b>(106.2)</b>	<b>(98.5)</b>
Related deferred tax asset	21.4	21.2	27.6	19.4	19.7
<b>Net pension liability</b>	<b>(104.3)</b>	<b>(102.1)</b>	<b>(131.8)</b>	<b>(86.8)</b>	<b>(78.8)</b>

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

	2018	2017	2016	2015	2014
Equities	55%	54%	55%	56%	55%
Bonds and gilts	37%	37%	40%	36%	38%
Cash, property and other	8%	9%	5%	8%	7%

Income statement impact:

	2018	2017	2016	2015	2014
	£m	£m	£m	£m	£m
Interest on pension scheme assets	(9.6)	(9.5)	(12.1)	(11.8)	(14.1)
Administration expenses	1.0	0.9	0.7	1.0	1.0
Interest on pension scheme liabilities	12.8	13.8	16.1	15.3	17.7
Total finance costs	4.2	5.2	4.7	4.5	4.6
Past service cost (I)	1.5	-	-	-	-
<b>Charge to income statement</b>	<b>5.7</b>	<b>5.2</b>	<b>4.7</b>	<b>4.5</b>	<b>4.6</b>

(I) A Pension past service cost of £1.5m has been recognised to equalise Guaranteed Minimum Pensions (GMP) between men and women based on benefits earned between 17 May 1990 and 5 April 1997. Any future changes in accounting estimates will be reflected through the Consolidated Statement of Comprehensive Income.

**20. Retirement benefit schemes (continued)****Amount recognised in the statement of total recognised gains and losses:**

	2018	2017	2016	2015	2014
	£m	£m	£m	£m	£m
Net actuarial losses/(gains) recognised in year	3.2	(34.8)	54.8	9.4	18.2
Net cumulative actuarial losses	132.9	129.7	164.5	109.7	100.3

**Actual return on plan assets**

	2018	2017	2016	2015	2014
	£m	£m	£m	£m	£m
Actual return on plan assets	(3.6)	27.4	56.1	2.5	20.7

**Reconciliation of present value of present liabilities and assets:**

	2018	2017	2016	2015	2014
	£m	£m	£m	£m	£m
<b>Change in the present value of the defined benefit obligation</b>					
Opening defined benefit obligation	498.5	520.3	422.5	421.8	392.7
Past service cost	1.5	-	-	-	-
Interest cost	12.7	13.8	16.1	15.3	17.7
Benefits paid	(18.1)	(18.6)	(17.1)	(14.8)	(14.4)
Actuarial losses / (gains)	5.1	(5.3)	(1.9)	4.2	(3.3)
Changes to demographic assumptions	(2.0)	(10.9)	(10.7)	10.0	(0.5)
Changes to financial assumptions	(14.0)	(0.8)	111.4	(14.0)	29.6
<b>Closing defined benefit obligation</b>	<b>483.9</b>	<b>498.5</b>	<b>520.3</b>	<b>422.5</b>	<b>421.8</b>

**20. Retirement benefit schemes (continued)**

	2018	2017	2016	2015	2014
	£m	£m	£m	£m	£m
<b>Change in the fair value of plan assets</b>					
Opening fair value of plan assets	375.2	360.9	316.3	323.3	312.3
Interest on assets	9.6	9.6	12.1	11.8	14.1
Return on plan assets less interest	(14.1)	17.8	44.0	(9.2)	7.6
Contribution by employer	6.6	6.4	6.3	6.2	4.7
Benefits paid	(18.1)	(18.6)	(17.1)	(14.8)	(14.4)
Administration costs	(1.0)	(0.9)	(0.7)	(1.0)	(1.0)
<b>Closing fair value of plan assets</b>	<b>358.2</b>	<b>375.2</b>	<b>360.9</b>	<b>316.3</b>	<b>323.3</b>

**21. Called up share capital**

At 31 December 2018 and 2017 the Company had 15,400,000 authorised ordinary shares of £1 each

	2018	2017
	£'000	£'000
<b>Ordinary share capital</b>		
<b>Authorised, allotted, called up and fully paid</b>		
400,000 ordinary shares of £1 each	400	400

**22. Pension fund security**

The Group has provided certain rights relating to its shareholding in Independent Radio News Limited and the Company has provided certain rights relating to its rights in the ITN news archive as security to the ITN Pension Scheme in support of the recovery plan agreed with the Trustees to address the funding deficit.

## 23. 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	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Within one year	5,088	4,692	5,088	4,692
Between two and five years	17,455	17,150	17,455	17,150
In over five years	4,515	1,061	4,515	1,061
	<b>27,058</b>	<b>22,903</b>	<b>27,058</b>	<b>22,903</b>

## 24. Financial commitments, guarantees and contingent liabilities

The Company has guaranteed the liabilities of certain subsidiaries as detailed in Note 27.

The Company has guaranteed to IAAF Properties Limited the obligations of the Company's subsidiary, ITN Productions Athletics Limited, to provide certain loans to IAAF Productions Limited, the joint venture company established by the Company and the IAAF.

## 25. Capital commitments

At 31 December 2018 the Group had capital commitments as follows:

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Contracted for but not provided for:				
Acquisition of property, plant and equipment	504	90	504	90

## 26. 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	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>Group</b>				
Entities with a shareholding interest in the Company	56,035	58,579	960	2,957
Entities in which the Company had a shareholding interest	358	67	-	-
	<b>56,393</b>	<b>58,646</b>	<b>960</b>	<b>2,957</b>

### Transactions with Key Management Personnel

Transactions with the Group's key management personnel have been disclosed in Note 7.

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties	2018 £'000	2017 £'000
<b>Group</b>		
Entities with a shareholding interest in the Company	951	967

Amounts owed by related parties	2018 £'000	2017 £'000
<b>Group</b>		
Entities with a shareholding interest in the Company	5,073	6,153
Other related parties	327	-
	<b>5,400</b>	<b>6,153</b>

The following amounts were recognised as an expense in the period in respect of bad and doubtful debts due from related parties. The amount recognised in income statement in 2017 represents the release of doubtful debt following the sale of Diagonal View Limited.

	2018 £'000	2017 £'000
<b>Group</b>		
Entities in which the Company has a shareholding interest	-	(271)



## 27. Investments

Investments	Company Number	ITN Group Immediate Parent	Type of shares held	Ownership %	Registered office	Country of Incorporation	Nature of Business	Categorisation
ITN Archive Limited	3807324	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ITN Radio Investments Limited	02417313	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Holding Company	Subsidiary
ITN Radio Limited	07108867	ITN Radio Investments Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Holding Company	Subsidiary
ITN Education Investments Limited	07126826	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
Independent Radio News Limited	1112963	ITN Radio Limited	Ordinary	19.7%	Academic House, 24-28 Oval Road, London	UK	Production of radio news	Investment
ITN DLS Limited	10611632	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Television programming and broadcasting activities	Subsidiary
ITN Productions Athletics Limited	11105084	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Holding Company	Subsidiary
IAAF Productions Limited	11159888	ITN Productions Athletics Limited	Ordinary	50%	200 Grays Inn Road, London	UK	Television programming and broadcasting activities	Joint venture
Connolly Systems Limited	01343709	Timms (1992) Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ECL Limited	06604712	ITN Archive Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ITN Arabia Limited	06854068	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ITN Group Limited	05875533	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ITN International Limited	02409274	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ITN News Channel (Finance) Limited	04214822	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ITN Productions Limited	05836887	ITN Group Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ITN Source Limited	05836903	ITN Group Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
Jemani Limited	02205449	Timms (1992) Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
Visual Voodoo Films Limited	03864639	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
ViewPoint News Ltd	9172614	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary
Timms (1992) Limited	01678244	Independent Television News Limited	Ordinary	100%	200 Grays Inn Road, London	UK	Dormant Company	Subsidiary

## 27. Investments (continued)

Investments, associates and joint ventures are not publicly listed and are held at cost less impairment as fair value cannot be reliably determined. Independent Television News Limited has guaranteed liabilities of its subsidiaries ITN Archive Limited, ITN Education Investments Limited, ITN Radio Investments Limited, ITN Radio Limited and ITN DLS Limited under section 479A and C of the Companies Act 2006 (as amended). As such, ITN Archive Limited, ITN Education Investments Limited, ITN Radio Investments Limited, ITN Radio Limited and ITN DLS Limited will take advantage of the audit exemption set out within section 479A for the year ended 31 December 2018.

## 28. Cash generated from operations

	2018 £'000	2017 £'000
<b>Profit for the year</b>	<b>1,239</b>	<b>3,239</b>
<b>Adjustments for:</b>		
Income tax expense recognised in profit or loss	69	431
Finance costs recognised in profit or loss	4,238	5,231
Past service pension costs	1,500	-
Investment income recognised in profit or loss	(499)	(485)
Loss on disposal of property, plant and equipment	2	4
Depreciation and impairment of property, plant and equipment	2,897	2,932
Other gains and losses	-	(2,623)
Decrease in provisions	(483)	(475)
<b>Movements in working capital:</b>		
(Increase)/decrease in inventories and WIP	(635)	252
(Increase)/decrease in trade and other receivables	(2,500)	1,450
Increase/(decrease) in trade and other payables	3,871	(6,011)
<b>Cash generated from operations before pension scheme cash movements</b>	<b>9,699</b>	<b>3,945</b>
Pension scheme cash movement	(6,565)	(6,385)
<b>Cash generated from operations</b>	<b>3,134</b>	<b>(2,440)</b>

## 29. Ultimate controlling party

There is no ultimate controlling party.





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