

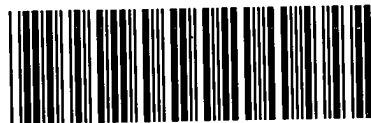
Registration number: 301188

# Carlton Film Distributors Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2014

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# **Carlton Film Distributors Limited**

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# **Carlton Film Distributors Limited**

## **Directors' Report for the Year Ended 31 December 2014**

The directors of Carlton Film Distributors Limited ("the Company") present their report and the financial statements for the year ended 31 December 2014.

### **Principal activity**

The principal activity of Carlton Film Distributors Limited ("the Company") continues to be worldwide exploitation and distribution of film and television programming.

### **Results**

The results for the period show a profit for the period of £712,000 (2013: £1,307,000) and sales of £745,000 (2013: £2,030,000). At the balance sheet date the Company had net assets of £11,057,000 (2013: £10,345,000).

### **Directors of the company**

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

D Walker

M Kyriacou

P Lewis (appointed 28 May 2014 and resigned 29 October 2014)

Certain directors benefit from third party qualifying indemnity provisions in place during the financial year and at the date of this report.

### **Dividends**

The directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 31 December 2014 (2013: £Nil).

### **Going concern**

In preparing the financial statements of Carlton Film Distributors Limited, the directors have made an assessment of the next 12 months performance from signing and consider preparation on a going concern basis to be appropriate (see note 1).

### **Disclosure of information to the auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Reappointment of auditor**

KPMG Audit Plc resigned as auditor during the year pursuant to section 516 of the Companies Act 2006. The Directors have appointed KPMG LLP as auditor of the Company to fill the casual vacancy as auditor under section 485 of the Companies Act 2006.

### **Small company provisions statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 29/01/2015... and signed on its behalf by:



D Walker  
Director

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

## **Carlton Film Distributors Limited Statement of Directors' Responsibilities**

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the results of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are generally responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**Carlton Film Distributors Limited**  
**Independent Auditor's Report to the members of Carlton Film Distributors Limited**

We have audited the financial statements of Carlton Film Distributors Limited for the year ended 31 December 2014, set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 2), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



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

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

Date: 29/09/2015

**Carlton Film Distributors Limited**  
**Profit and Loss Account for the Year Ended 31 December 2014**

	Note	2014 £ 000	2013 £ 000
Turnover	1	745	2,030
Cost of sales		<u>(477)</u>	<u>(1,175)</u>
Gross profit		268	855
Administrative expenses		<u>(181)</u>	<u>(108)</u>
Operating profit	2	87	747
Other interest receivable and similar income	4	712	642
Interest payable and similar charges	5	<u>(87)</u>	<u>(82)</u>
Profit on ordinary activities before taxation		712	1,307
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
Profit for the financial year	12	<u><u>712</u></u>	<u><u>1,307</u></u>

Turnover and operating profit derive wholly from continuing operations.

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

The notes on pages 6 to 11 form an integral part of these financial statements.

**Carlton Film Distributors Limited**  
**(Registration number: 301188)**  
**Balance Sheet as at 31 December 2014**

	Note	2014 £ 000	2013 £ 000
<b>Fixed assets</b>			
Investments	7	-	-
<b>Current assets</b>			
Debtors	8	13,809	12,888
Creditors: Amounts falling due within one year	9	<u>(2,707)</u>	<u>(2,509)</u>
Net current assets		<u>11,102</u>	<u>10,379</u>
Total assets less current liabilities		11,102	10,379
Creditors: Amounts falling due after more than one year	10	<u>(45)</u>	<u>(34)</u>
Net assets		<u>11,057</u>	<u>10,345</u>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account	12	<u>11,057</u>	<u>10,345</u>
Shareholders' funds	13	<u>11,057</u>	<u>10,345</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 29/01/15... and signed on its behalf by:



D Walker  
Director

The notes on pages 6 to 11 form an integral part of these financial statements.

# **Carlton Film Distributors Limited**

## **Notes**

### **1 Accounting policies**

#### **Basis of preparation**

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

#### **Exemption from preparing a cash flow statement**

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

#### **Exemption from preparing group accounts**

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

#### **Going concern**

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. As such, the Company is dependent for its working capital on funds provided to it by ITV plc, the Company's ultimate parent company. ITV plc has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. As at the date of approval of these financial statements, the directors of the Company have no reason to believe that this financial support will not be forthcoming in the event that it is required.

On this basis, and on their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue in existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

#### **Amounts owed (to) / from subsidiary undertakings**

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

#### **Turnover**

Revenue earned on the the exploitation of film and programme rights is recognised as turnover at the point at which the right sold is available for exploitation by the licensee. All amounts recognised as turnover are stated net of VAT or equivalent sales taxes and net of rebates or refunds.

The right sold is considered to be available for exploitation by the licensee at the point when a binding commitment exists with a customer, the programme is available for exploitation and the physical material is available for delivery.

Royalties receivable in excess of minimum guarantees are recognised at the point at which such royalties become due and payable to the company.

#### **Fixed asset investments**

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

# Carlton Film Distributors Limited

## Notes

### **Taxation**

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

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

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

### **Foreign currency**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

## **2 Operating profit**

Operating profit is stated after charging/(crediting):

	2014 £ 000	2013 £ 000
Foreign currency gains	(4)	-

## **3 Directors' emoluments and auditor's remuneration**

There were no employees and hence no staff costs during the year (2013: £nil).

No director received any remuneration for their services to the Company (2013: £nil).

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required to be disclosed on a consolidation basis in the consolidated financial statements of the Company's ultimate parent, ITV plc.

## **4 Other interest receivable and similar income**

	2014 £ 000	2013 £ 000
Interest receivable from group undertakings	712	642

## **5 Interest payable and similar charges**

	2014 £ 000	2013 £ 000
Interest on loans from group undertakings	87	74
Other interest payable	-	8
	87	82

# **Carlton Film Distributors Limited** **Notes**

## **6 Taxation**

### **Tax on profit on ordinary activities**

	<b>2014</b>	<b>2013</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current tax</b>		
UK Corporation tax	-	-
Total current tax	-	-

### **Factors affecting current tax charge for the year**

The tax on profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK (2013 - lower than the standard rate of corporation tax in the UK) of 21.5% (2013 : (23.25%)).

The differences are reconciled below:

	<b>2014</b>	<b>2013</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit on ordinary activities before tax	712	1,307
Corporation tax at standard rate	153	304
Permanent differences and group relief	(153)	(304)
Total current tax	-	-

### **Factors that may affect future tax charges**

The corporation tax rate of 21.5% reflects the reduction in the rate from 23% to 21% effective from 1 April 2014.

The Finance Act 2013, which provides for a reduction in the main rate of corporation tax from 21% to 20% effective from 1 April 2015, was substantively enacted on 17 July 2013.

# Carlton Film Distributors Limited

## Notes

### 7 Investments held as fixed assets

#### Shares in group undertakings and participating interests

	2014 £
<b>Cost</b>	
At 1 January 2014 and as at 31 December 2014	<u>50</u>
<b>Provisions</b>	
At 1 January 2014 and as at 31 December 2014	<u>-</u>
<b>Net book value</b>	
At December 2014	<u>50</u>
At December 2013	<u>50</u>

#### Details of undertakings

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

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
<b>Subsidiary undertakings</b>				
British Film-Makers Limited	UK	"B" Ordinary	50%	Collection of revenue from film production on behalf of third parties and the distribution thereof.

# Carlton Film Distributors Limited

## Notes

### 8 Debtors

	2014 £ 000	2013 £ 000
Amounts owed by group undertakings	13,808	12,771
Other debtors	-	116
Deferred tax	<u>1</u>	<u>1</u>
	<u>13,809</u>	<u>12,888</u>

#### Deferred tax

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

	Deferred tax £ 000
At 1 January 2014	<u>1</u>
At 31 December 2014	<u>1</u>

#### Analysis of deferred tax

	2014 £ 000	2013 £ 000
Difference between accumulated depreciation and amortisation and capital allowances	<u>1</u>	<u>1</u>

### 9 Creditors: Amounts falling due within one year

	2014 £ 000	2013 £ 000
Trade creditors	-	1
Amounts owed to group undertakings	914	189
Other creditors	<u>1,793</u>	<u>2,319</u>
	<u>2,707</u>	<u>2,509</u>

Included in amounts owed to group undertakings £914,000 (2013: £189,000) are amounts of £914,000 (2013: £189,000) which do not have any associated interest and are repayable on demand.

### 10 Creditors: Amounts falling due after more than one year

	2014 £ 000	2013 £ 000
Trade creditors	<u>45</u>	<u>34</u>

### 11 Share capital

	2014 £	2013 £
Issued and fully paid		
18,000,000 ordinary shares of £0.00000005 each	<u>1</u>	<u>1</u>

# **Carlton Film Distributors Limited** **Notes**

## **12 Reserves**

	Profit and loss account £ 000	Total £ 000
At 1 January 2014	10,345	10,345
Profit for the year	<u>712</u>	<u>712</u>
At 31 December 2014	<u><u>11,057</u></u>	<u><u>11,057</u></u>

## **13 Reconciliation of movement in shareholders' funds**

	2014 £ 000	2013 £ 000
Profit attributable to the members of the company	<u>712</u>	<u>1,307</u>
Shareholders' funds at 1 January	<u>10,345</u>	<u>9,038</u>
Shareholders' funds at 31 December	<u><u>11,057</u></u>	<u><u>10,345</u></u>

## **14 Contingent liabilities**

Under a group registration, the Company is jointly and severally liable for VAT at 31 December 2014. The amount guaranteed is £58,000,000 (2013 - £51,000,000).

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

## **15 Related party transactions**

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

## **16 Control**

The Company is controlled by Carlton Content Holdings. At 31 December 2014 the Company's immediate parent company was Carlton Content Holdings Limited, a company registered in England and Wales and the Company's ultimate parent company was ITV plc, a company incorporated and registered in England and Wales.

The ultimate controlling party is ITV plc. The largest and smallest group in which the results of the Company were consolidated was that headed by ITV plc. The consolidated accounts of ITV plc are available to the public and may be obtained from [www.itvplc.com](http://www.itvplc.com) or the Company Secretary, The London Television Centre, Upper Ground, SE1 9LT.