

ITC Entertainment Holdings Limited

Directors' report and
financial statements

Registered number 510330
Year ended 31 December 2010

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2010. The comparatives are for the year ended 31 December 2009.

Principal activities and business review

The principal activity of ITC Entertainment Holdings Limited ("the Company") is to act as an investment holding company.

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The Company has met the requirements in Companies Act 2006 to obtain the exemption provided from the presentation of an enhanced business review.

Dividends

The directors do not recommend the payment of a dividend (2009: £nil).

Directors

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

	Appointment date	Resignation date
D Walker		
D Wolffe		16 December 2010
M Kyriacou	16 December 2010	

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2009: £nil).

Directors' Report *(continued)*

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information

Auditors

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

By order of the board



Duncan Walker
Director

19/08/ 2011

The London Television Centre
Upper Ground
London
SE1 9LT

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility 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.

Independent auditor's report to the members of ITC Entertainment Holdings Limited

We have audited the financial statements of ITC Entertainment Holdings Limited for the year ended 31 December 2010 set out on pages 6 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on 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 2010 and of its results for the year then ended
- have been properly prepared in accordance with UK 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 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



Mark Summerfield (Senior Statutory Auditor)
for and on behalf of KPMG Audit plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

30/08/2011

Profit and loss account

	Year ended 31 December 2010 £000	Year ended 31 December 2009 £000
Profit on ordinary activities before taxation	-	-
Taxation	-	-
Profit for the financial year	-	-

The results stated above are all derived from continuing activities

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

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

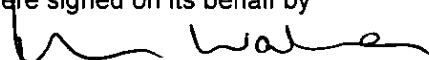
The notes on pages 8 to 10 form part of these financial statements

Balance sheet

		31 December 2010 £000	31 December 2009 £000
	Note		
Fixed assets			
Investments	3	<u>11,264</u>	<u>11,264</u>
		11,264	11,264
Current liabilities			
Creditors amounts falling due within one year	4	<u>(67,384)</u>	<u>(67,384)</u>
Net current liabilities		<u>(67,384)</u>	<u>(67,384)</u>
Net liabilities		<u>(56,120)</u>	<u>(56,120)</u>
Capital and reserves			
Called up share capital	5	24,876	24,876
Other reserves	6	826	826
Profit and loss reserve	6	<u>(81,822)</u>	<u>(81,822)</u>
Equity shareholders' deficit		<u>(56,120)</u>	<u>(56,120)</u>

The notes on pages 8 to 10 form part of these financial statements

These financial statements were approved by the board of directors on 19/08/2011 and were signed on its behalf by



Duncan Walker
Director

Notes

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of preparation

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

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of ITV plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of ITV plc, within which this Company is included, can be obtained from the registered office at The London Television Centre, Upper Ground, London SE1 9LT.

Going concern

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Campania Limited, the Company's immediate parent undertaking. ITV plc, the Company's ultimate parent undertaking, has provided the Company with an undertaking 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. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on the undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Investments

In the Company's financial statements, investments in subsidiary undertakings and associates are stated at cost less provision for any permanent diminution in value.

Taxation

The charge for taxation is based on the profit/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

2 Directors emoluments and auditors remuneration

No director received any remuneration for their services to the Company (2009 £nil) There were no staff and hence no staff costs during the years ended 31 December 2010 or 2009

The auditors' remuneration of £500 (2009 £500) was borne by another group Company

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 consolidated basis in the consolidated financial statements of the Company's ultimate parent, ITV plc

3 Investments

	Shares in subsidiary and associated undertakings £'000
At 1 January 2010 and 31 December 2010	<u>11,264</u>

Details of investments in principal subsidiary and associated undertakings are shown below

Name of company	Country of incorporation	Principal Activity	Indirect holding unless otherwise stated
Subsidiary undertakings			
ITC Entertainment Group Ltd	UK	UK Operating Co	*100%
Associated undertakings			
Granada Television Overseas Ltd	UK	UK Holding Co	**15.8%
ITV US Holdings, Inc	USA	US Holding Co	15.8%
ITV Studios, Inc	USA	US Operating Co	15.8%
ITV Global Entertainment, Inc	USA	US Operating Co	15.8%
Jaffe Braunstein Entertainment LLC	USA	US Operating Co	8.05%
Silverback AB	Sweden	Swedish Operating Co	15.8%

* Direct shareholding of 100%

** Includes a direct shareholding of 2.1%

4 Creditors: amounts falling due within one year

	31 December 2010 £000	31 December 2009 £000
Amounts owed to Group undertakings	<u>67,384</u>	<u>67,384</u>

5 Share capital

	31 December 2010 £000	31 December 2009 £000
Issued and fully paid		
24,875,910 (2009 24,875,910) £1 ordinary shares	<u>24,876</u>	<u>24,876</u>

6 Reconciliation of movements in shareholders' deficit

	Share capital £000	Other reserves £000	Profit and loss account £000	Total £000
At 1 January 2010 and 31 December 2010	<u>24,876</u>	<u>826</u>	<u>(81,822)</u>	<u>(56,120)</u>

7 Contingent liabilities

Under a group registration, the Company is jointly and severally liable for VAT at 31 December 2010 of £39 million (31 December 2009 £25 million)

8 Ultimate parent company

At 31 December 2010 the Company's immediate parent company was Campania 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 largest and smallest group in which the results of the Company were consolidated was that headed by ITV plc. The consolidated accounts of ITV plc are available to the public and may be obtained from www.itvplc.com or the Company Secretary, The London Television Centre, Upper Ground, London, SE1 9LT