

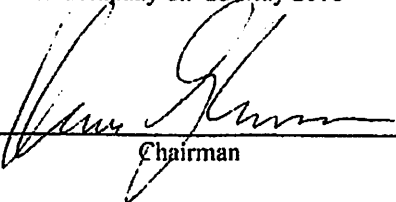
United Production ApS

**Finsensvej 6 E
2000 Frederiksberg**

CVR no. 34 72 64 42

Annual report 2015

The annual report was presented and
adopted at the annual general meeting of
the Company on 23 May 2016



Chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of United Production ApS for the financial year 1 January - 31 December 2015.


The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the year 1 January - 31 December 2015.

We recommend that the annual report be adopted at the annual general meeting.

Frederiksberg, 23 May 2016

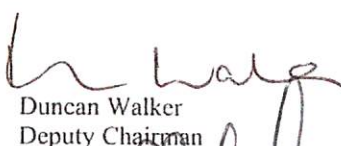
Executive Board


Louise Saut Ellerbæk

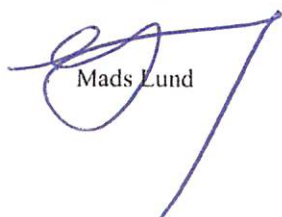

Mads Lund

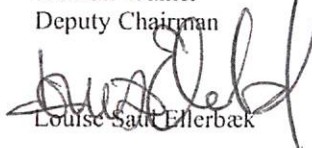
Board of Directors


Hans Görän Engholm
Chairman


Duncan Walker
Deputy Chairman


Maria Kyriacov


Mads Lund


Louise Saut Ellerbæk



KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen
Denmark

Telephone +45 70707760
www.kpmg.dk
CVR no. 25578198

Independent auditor's report

To the Shareholder of United Production ApS

We have audited the financial statements of United Production ApS for the financial year 1 January - 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

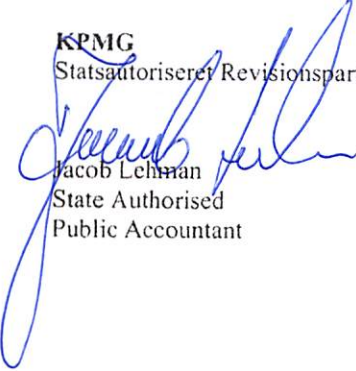
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.



Independent auditor's report

Copenhagen, 23 May 2016

KPMG
Statsautoriseret Revisionspartnerselskab


Jacob Lehman
State Authorised
Public Accountant

Company details

Company

United Production ApS
Finsensvej 6 E
2000 Frederiksberg

Telephone: 28 80 27 67

CVR no.: 34 72 64 42

Financial year: 1 January - 31 December

Registered office: Frederiksberg

Board of Directors

Hans Göran Engholm, Chairman
Duncan Walker, Deputy Chairman
Maria Kyriacov
Mads Lund
Louise Saul Ellerbæk

Executive Board

Louise Saul Ellerbæk
Mads Lund

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen

General meeting

The annual general meeting will be held on 23 May 2016 at the Company's address.

Financial statements 1 January - 31 December

Accounting policies

The annual report of United Production ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which evidence matters existing at the balance sheet date.

Income Statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company's revenue is not stated.

Gross profit comprises revenue and production costs.

Revenue

Income comprising the sale of television productions for large television broadcasters in Denmark and abroad is recognised in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received.

Financial statements 1 January - 31 December

Accounting policies

Revenue is measured at fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All discounts granted are included in revenue.

Production costs

Production costs comprise costs, including depreciation and amortisation and salaries, incurred in generating revenue for the year. Such costs include direct and indirect costs, wages and salaries, rent and leases and depreciation on production equipment.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, management, office premises and depreciation.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and expense, gains and losses on transactions in foreign currencies, etc.

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement.

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience. The amortisation period is 7 years.

The carrying amount of Goodwill are ongoing assessed and are impaired to recoverable amount through the income statement, if the carrying amount exceeds the expected future net income from the company or the activity as the Goodwill is attached to.

Financial statements 1 January - 31 December

Accounting policies

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

	Useful life
Fixtures and fitting, tools and equipment	3 - 5 years
Leaschold improvements	3 - 5 years

Depreciation is recognised as production costs and administrative expenses in the income statement.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised as other operating income or other operating costs, respectively, in the income statement.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that an individual receivable has been impaired, write-down is made.

Work in progress

Work in progress is measured at the value of materials used, direct wages and salaries and indirect production costs less loan financing.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Financial statements 1 January - 31 December

Accounting policies

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year (declaration date) is disclosed as a separate item under equity.

Deferred tax assets and liabilities

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to items where the temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement and equity.

Liabilities other than provisions

Other liabilities are measured at net realisable value.

Prepayments

Prepayments comprises payments received in respect of income in subsequent years.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Financial statements 1 January - 31 December

Accounting policies

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements 1 January - 31 December

Income statement

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Gross profit		10,722,024	7,400,318
Administrative expenses	3-4	<u>-5,133,483</u>	<u>-4,969,579</u>
Operating profit		5,588,541	2,430,739
Financial income		633	2,900
Financial expenses		<u>-32,220</u>	<u>-38,125</u>
Profit before tax		5,556,954	2,395,514
Tax on profit for the year	2	<u>-1,351,610</u>	<u>-596,015</u>
Profit for the year		<u><u>4,205,344</u></u>	<u><u>1,799,499</u></u>
Retained earnings		<u>4,205,344</u>	<u>1,799,499</u>
		<u><u>4,205,344</u></u>	<u><u>1,799,499</u></u>

Financial statements 1 January - 31 December

Balance sheet

	Note	2015 DKK	2014 DKK
Assets			
Goodwill		262,286	327,858
Intangible assets	3	<u>262,286</u>	<u>327,858</u>
Other fixtures and fittings, tools and equipment		823,071	632,862
Leasehold improvements		73,469	15,111
Property, plant and equipment	4	<u>896,540</u>	<u>647,973</u>
Deposits		149,226	145,080
Investments		<u>149,226</u>	<u>145,080</u>
Total non-current assets		<u>1,308,052</u>	<u>1,120,911</u>
Trade receivables		3,011,869	17,388,251
Work in progress		9,522,763	7,854,317
Deferred tax assets		39,684	28,242
Prepayments		237,197	123,814
Receivables		<u>12,811,513</u>	<u>25,394,624</u>
Cash at bank and in hand		<u>6,965,418</u>	<u>5,316,399</u>
Total current assets		<u>19,776,931</u>	<u>30,711,023</u>
Total assets		<u><u>21,084,983</u></u>	<u><u>31,831,934</u></u>

Financial statements 1 January - 31 December

Balance sheet

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Equity and liabilities			
Share capital		80,000	80,000
Retained earnings		<u>6,984,798</u>	<u>2,779,456</u>
Total equity	5	<u>7,064,798</u>	<u>2,859,456</u>
Prepayments received from customers		9,990,257	20,160,506
Trade payables		500,087	4,286,512
Payables to group entities		345,175	298,802
Corporation tax		998,307	616,523
Other payables		<u>2,186,359</u>	<u>3,610,135</u>
Current liabilities		<u>14,020,185</u>	<u>28,972,478</u>
Total liabilities		<u>14,020,185</u>	<u>28,972,478</u>
Total equity and liabilities		<u><u>21,084,983</u></u>	<u><u>31,831,934</u></u>
Contingent assets, liabilities and other financial obligations	6		
Related parties and ownership	7		
Main activity	1		

Financial statements 1 January - 31 December

Notes

1 Main activity

The objective of the Company is to develop and produce programmes for television and other media as well as related activities.

	<u>2015</u>	<u>2014</u>
	DKK	DKK
2 Tax on profit for the year		
Current tax for the year	1,341,689	615,285
Deferred tax for the year	9,921	-19,270
	<u><u>1,351,610</u></u>	<u><u>596,015</u></u>

3 Intangible assets

	<u>Goodwill</u>
	DKK
Cost at 1 January 2015	<u>459,000</u>
Cost at 31 December 2015	<u>459,000</u>
Amortisation and impairment losses at 1 January 2015	131,142
Amortisation for the year	<u>65,572</u>
Amortisation and impairment losses at 31 December 2015	<u>196,714</u>
Carrying amount at 31 December 2015	<u><u>262,286</u></u>

Financial statements 1 January - 31 December

Notes

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leaschold improvements	Total
	DKK	DKK	DKK
Cost at 1 January 2015	1,099,989	21,333	1,121,322
Additions for the year	608,231	66,461	674,692
Cost at 31 December 2015	<u>1,708,220</u>	<u>87,794</u>	<u>1,796,014</u>
Depreciation and impairment losses at 1 January 2015	467,127	6,212	473,339
Depreciation for the year	418,022	8,113	426,135
Depreciation and impairment losses at 31 December 2015	<u>885,149</u>	<u>14,325</u>	<u>899,474</u>
Carrying amount at 31 December 2015	<u>823,071</u>	<u>73,469</u>	<u>896,540</u>

5 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2015	80,000	2,779,454	2,859,454
Profit for the year	0	4,205,344	4,205,344
Equity at 31 December 2015	<u>80,000</u>	<u>6,984,798</u>	<u>7,064,798</u>

The share capital consists of 800 shares of a nominal value of DKK 100 each. No shares carry any special rights.

There have been no changes in the share capital during the last five years.

Financial statements 1 January - 31 December

Notes

6 Contingent assets, liabilities and other financial obligations

The Company has issued ordinary guarantees concerning the rights of films and ongoing media productions.

The Company's leasehold has a notice period of six months. The rent for six months represents approx. DKK 237 thousand.

The Company has entered into an agreement to lease equipment. The remaining term of the lease is 21 months and represents approx. DKK.258 thousand.

7 Related parties and ownership

Other related parties

The Company is a part of the consolidated financial statements of ITV PLC.
The consolidated financial statements of ITV PLC can be obtained at www.itvplc.com

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

ITV Studios Nordic AB