



Annual Report for
United Production ApS
34726442

Annual Report was approved at
the Annual General Meeting
20. April 2018

Mads Lund
Chairman

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Submission information

Report

Information on type of submitted report Årsrapport

Entity

Identification number [CVR] 34726442
Name United Production ApS
Address , street name Finsensvej
Address , street building identifier 6 E
Address , post code identifier 2000
Address , district name Frederiksberg

Auditor

Identification number mne30154
First name and surname Kenn Wolff Hansen
Identification number [CVR] of audit firm 25578198
Name of audit firm KPMG Statsautoriseret Revisionspartnerselskab
Description State Authorised Public Accountant

Executive board

First name and surname of member (1) Louise Saul Ellerbæk
First name and surname of member (2) Mads Lund

Supervisory board

First name and surname of member (1) Duncan Walker
Title of member (1) Chairman
First name and surname of member (2) Maria Kyriacou
Title of member (2) Deputy Chairman
First name and surname of member (3) Mads Lund
First name and surname of member (4) Louise Saul Ellerbæk

Information on enterprise submitting report

Identification number [CVR] of submitting enterprise 34736251
Name of submitting enterprise Facit Management ApS
Address of submitting enterprise, street and number Gl. Køge Landevej 328
Address of submitting enterprise, post code and district name 2650 Hvidovre

Other informations

Reporting period start date 2017-01-01
Reporting period end date 2017-12-31
Date of general meeting 2018-04-20
First name and surname of chairman of general meeting or person, who acts as chairman Mads Lund

Class of reporting entity
Type of auditor assistance
Reporting period start date last year
Reporting period end date last year
Currency:

Regnskabsklasse B
Revisionspåtegning
2016-01-01
2016-12-31
DKK

Internal

Statement by the Board of Directors and the Executive Board

Statement by management

Statement by the Board of Directors and the Executive Board

Identification of approved annual report

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 2017.

Confirmation that annual report is presented in accordance with requirements provided for by legislation, any standards and requirements provided by articles of association or by agreement

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

Confirmation that financial statements gives true and fair view of assets, liabilities, equity, financial position and results

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

Recommendation of annual report for approval by general meeting

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

Management's statement about management's review

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

Date of approval of annual report

Copenhagen, 20. April 2018

Executive board

Louise Saul Ellerbæk

Mads Lund

Supervisory board

Duncan Walker
Chairman

Maria Kyriacou
Deputy Chairman

Mads Lund

Internal

Auditor's reports

The independent auditor's reports (Audit)

Independent auditor's report

Addressee of auditor's report on audited financial statements

To the shareholders of United Production ApS

Opinion on audited financial statements (audit)

Opinion

We have audited the financial statements of United Production ApS for the financial year 1 January – 31 December 2017, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for conclusion (Audit)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on management's review [Auditor's report on audited financial statements]

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and 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 Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish

Financial Statement Act. We did not identify any material misstatement of the Management's review.

Statement of executive and supervisory board's responsibility for financial statements (Audit)

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.

In preparing the financial statements, Management is 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statement of auditor's responsibility for the audit of the financial statements (Audit)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control obtain an understanding of internal control relevant to the audit 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

evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management

conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen
20. April 2018
Kenn Wolff Hansen
State Authorised Public Accountant
KPMG Statsautoriseret Revisionspartnerselskab
25578198
mne30154

Internal

Management's review

Management's review

Management's review

Operating review

Description of significant activities of entity

Principal activities

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

Significant changes in the Company's activities and financial position

The Company have realized a higher activity compared to previous years, which have resulted in a profit after tax of DKK 13,277,268 against DKK 12,766,637 last year, and the balance sheet at 31 December 2017 shows an equity of DKK 33,108,702. Management considers the Company's financial performance for the year as very satisfactory.

Description of significant events occurring after end of reporting period

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the year-end.

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Income Statement 1. January 2017 - 31. December 2017

	Note	01-01-2017 31-12-2017 x1000 DKK	01-01-2016 31-12-2016 x1000 DKK
Gross			
Administrative expenses	2	-7.526.425	-6.149.940
Gross profit (loss)	2	24.342.418	22.461.479
Operations			
Profit (loss) from ordinary operating activities		16.815.993	16.311.539
Ordinary			
Other finance income		345.337	139.134
Other finance expenses		-180.113	-63.967
Profit (loss) from ordinary activities before tax		16.981.217	16.386.706
Tax expense	3	-3.703.949	-3.620.069
Profit (loss)		13.277.268	12.766.637
Proposed distribution of results			
Proposed distribution of profit (loss) etc.			
Profit (loss)			
Retained earnings		13.277.268	12.766.637

Balance

Assets

	Note	31-12-2017 DKK	31-12-2016 DKK
Assets...			
Non-current assets...			
Goodwill		131.143	196.715
Intangible assets	4	131.143	196.715
Property, plant and equipment...			
Fixtures, fittings, tools and equipment		661.508	888.921
Leasehold improvements		41.024	66.958
Property, plant and equipment i alt:	5	702.532	955.879
Deposits, investments		268.428	263.810
Investments		268.428	263.810
Non-current assets i alt:		1.102.103	1.416.404
Current assets...			
Receivables...			
Short-term trade receivables		5.411.273	9.844.914
Contract work in progress	6	1.489.703	5.194.485
Short-term receivables from group enterprises		0	300.527
Current deferred tax assets		151.818	62.999
Deferred income assets		185.373	241.560
Receivables i alt:		7.238.167	15.644.485
Cash and cash equivalents		37.234.540	22.163.891
Current assets i alt:		44.472.707	37.808.376
Assets i alt:		45.574.810	39.224.780

Liabilities

	Note	31-12-2017 DKK	31-12-2016 DKK
Liabilities and equity...			
Equity...			
Contributed capital		80.000	80.000
Retained earnings		33.028.702	19.751.434
Equity i alt:	7	33.108.702	19.831.434
Liabilities other than provisions...			
Short-term prepayments received from customers	6	2.548.840	12.113.601
Short-term trade payables		1.630.237	3.381.133
Short-term payables to group enterprises		1.380.294	0
Short-term tax payables		3.377.398	3.391.646
Other short-term payables		3.529.339	506.966
Short-term liabilities other than provisions		12.466.108	19.393.346
Liabilities other than provisions i alt:		12.466.108	19.393.346
Liabilities and equity i alt:		45.574.810	39.224.780
Disclosure of contingent assets	8		
Disclosure of related parties	9		

Statement of changes in equity

Statement of changes in equity DKK	Shared capital	Retained earnings	Total
Equity at 1 January 2017	80.000	19.751.434	19.831.434
Profit for the year	0	13.277.268	13.277.268
	80.000	33.028.702	33.108.702

Internal

Notes

Note 1

Disclosure of accounting policies

Accounting policies

The annual report of United Production ApS for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies applied are unchanged from last year. However certain reclassification between work in progress and prepayments received from customers have been adjusted in the comparative figures for 2016.

Class of reporting entity

Regnskabsklasse B

Description of general matters related to recognition, measurement and changes in accounting policies

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.

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.

Accounting policies applied to balance sheet items

Balance sheet

Description of methods of recognition and measurement basis of intangible assets

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.

Description of methods of recognition and measurement basis of property, plant and equipment

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

Fixtures and fittings, tools and equipment	3 - 5 years
Leasehold 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 in the income statement as other operating income or other operating costs, respectively.

Description of methods of recognition and measurement basis of receivables

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.

Description of methods of recognition and measurement basis of contract work in progress

Work in progress

Work in progress is measured at the value of materials used, direct wages and salaries and indirect production costs less invoicing on account. In case that invoicing on account exceeds the fair value of material used etc. the exceeding amount is recognised as prepayments from customers.

Description of methods of recognition and measurement basis of liabilities other than provisions

Liabilities other than provisions

Other liabilities are measured at amortized cost normally equa to net realisable value.

Description of methods of recognition and measurement basis of tax payables and deferred tax

Corporation tax and deferred tax

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 measured on the planned use of the asset or settlement of the liability, respectively.

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. 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 at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Description of methods of recognition and measurement basis for prepayments received

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Prepayments

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

Description of methods of recognition and measurement basis for foreign currency translation

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.

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.

Description of methods of recognition and measurement basis of equity

Equity

Description of methods of recognition and measurement basis for dividends

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.

Accounting policies applied to income statement items

Income statement

Description of methods of recognition and measurement basis of revenue

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.

Description of methods of recognition and measurement basis of gross profit (loss)

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.

Description of methods of recognition and measurement basis of cost of production

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.

Description of methods of recognition and measurement basis of administrative expenses

Administrative expenses

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

Description of methods of recognition and measurement basis of finance income and expenses

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.

Description of methods of recognition and measurement basis of tax expense

Tax on profit/loss 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.

Description of methods of impairment losses 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.

Note 2

Disclosure of employee expense

Notes

Staff costs

DKK	2017	2016
Wages and salaries	32.778.456	33.428.570
Pensions	735.061	323.925
Other social security costs	183.376	197.178
	33.696.893	33.949.673
Average number of full-time employees	54	58
Staff costs are recognised in the financial statements as follows		
Production costs (gross profit)	31.275.645	31.843.379
Administrative expenses	2.421.248	2.106.294
	33.696.893	33.949.673

Note 3

Disclosure of tax expenses

Tax on profit for the year

DKK	2017	2016
Current tax for the year	3.792.768	3.643.384
Deferred tax for the year	-88.819	-23.315
	3.703.949	3.620.069

Note 4**Disclosure of intangible assets****Intangible assets**

DKK	Goodwill
Carrying amount at 31 December 2017	
Cost at 1 January 2016	459.000
Cost at 31 December 2016	459.000
Amortisation and impairment losses at 1 January 2017	262.285
Amortisation for the year	65.572
Amortisation and impairment losses at 31 December 2017	327.857
	131.143

Note 5**Disclosure of property, plant and equipment****Property, plant and equipment**

DKK	Fixtures and fittings, tools and equipment	Lease-hold improvements	Total
Carrying amount at 31 December 2017			
Cost at 1 January 2017	2.234.662	107.294	2.341.956
Additions for the year	229.108	0	229.108
Cost at 31 December 2017	2.463.770	107.294	2.571.064
Depreciation and impairment losses at 1 January 2017			
	1.345.741	40.336	1.386.077
Depreciation for the year	456.521	25.934	482.455
Depreciation and impairment losses at 31 December 2017	1.802.262	66.270	1.868.532

Carrying amount a 31 December 2017	661.508	41.024	702.532
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Note 6

Information on contract work in progress

Work in progress

DKK	2017	2016
Value of production	11.461.373	15.707.704
Prepayments in total	-12.520.510	-22.626.820
	-1.059.137	-6.919.116
Recognised as follows		
Work in progress	1.489.703	5.194.485
Prepayments for customers	-2.548.840	-12.113.601
	-1.059.137	-6.919.116

Note 7

Disclosure of equity

Equity

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.

Note 8

Disclosure of contingent assets

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 leaseholds has a notice period of max. six months. The rent for the notice periods amounts to DKK 499 thousand.

The Company has entered into an agreements to lease equipment. The remaining payments of the leases amounts to DKK 318 thousand.

Note 9

Disclosure of related parties

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

Internal