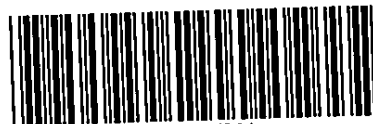


STV Television Limited

Annual report and financial statements
for the
year ended
31 December 2012

Registered number: SC166604

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STV Television Limited

Directors and Advisors

Directors:

Robert Woodward
George Watt
Alan Clements (appointed 26 July 2012)
Robert Hain (appointed 26 July 2012)
Elizabeth Partyka (appointed 26 July 2012)
Gordon MacMillan (appointed 26 July 2012)
Suzanne Burns (appointed 26 July 2012)

Company Secretary:

Jane Tames

Independent auditors:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
141 Bothwell Street
Glasgow
G2 7EQ

Registered office:

Pacific Quay
Glasgow
G51 1PQ

STV Television Limited

Directors' report for the year ended 31 December 2012

The directors present their report and the audited financial statements of the company (registered number SC166604) for the year ended 31 December 2012.

Principal activities

The company is a holding company for a number of other group companies.

Review of business and future developments

The company did not trade during the year and is not expected to trade in 2013. The directors do not expect any change in the operation of this company in the foreseeable future.

Results and dividends

The result for the financial year was £nil (2011: loss £1,399,000).

The directors do not recommend the payment of a dividend (2011: £nil), leaving £nil (2011: loss £1,399,000) to be transferred to reserves.

Directors

The directors of the company at 31 December 2012, all of whom have been directors for the whole year and up to the date of signing the financial statements, except where stated, are listed on page 1.

In accordance with the Articles of Association, the directors do not retire by rotation.

Directors' interests

The directors do not hold any shares in the company.

The directors hold shares in STV Group plc and their interests are dealt with in the financial statements of that company.

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 company will continue in business.

STV Television Limited

Directors' report for the year ended 31 December 2012 (continued)

Statement of directors' responsibilities (continued)

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 also responsible for safeguarding the assets of the 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

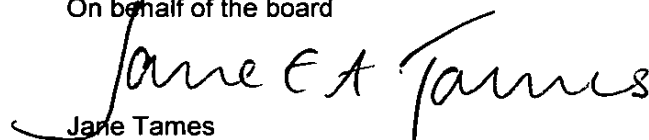
In the case of each of the persons who are directors at the time of this report the following applies:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of the information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board


Jane E A James
Company secretary

26 June 2013

STV Television Limited

Independent auditors' report to the members of STV Television Limited

We have audited the financial statements of STV Television Limited for the year ended 31 December 2012 which comprise the Profit and loss account, the Reconciliation of the movements in shareholders' funds, the Balance sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on pages 2 and 3 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 and of its result 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

STV Television Limited

Independent auditors' report to the members of STV Television Limited (continued)

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.

Alan Wilson

Alan Wilson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow

26 June 2013

STV Television Limited

Profit and loss account for the year ended 31 December 2012

	Note	2012 £000	2011 £000
Exceptional administrative expenses	3	-	(1,399)
Result/(loss) on ordinary activities before taxation		-	(1,399)
Tax on result/(loss) on ordinary activities	4	-	-
Result/(loss) for the financial year		-	(1,399)

The results are derived wholly from continuing operations.

The company has no recognised gains and losses other than the result/(loss) above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the result/(loss) on ordinary activities before taxation and the result/(loss) for the financial years stated above and their historical cost equivalents

The accompanying notes are an integral part of this profit and loss account.

Reconciliation of the movements in shareholders' funds for the year ended 31 December 2012

	2012 £000	2011 £000
Opening shareholders' funds	89,726	91,125
Loss for the financial year	-	(1,399)
Closing shareholders' funds	89,726	89,726

STV Television Limited

Balance sheet as at 31 December 2012

	Note	2012 £000	2011 £000
Fixed assets			
Investments	5	<u>109,313</u>	<u>109,313</u>
Current assets			
Debtors	6	<u>22,289</u>	<u>22,289</u>
Total assets less current liabilities		131,602	131,602
Creditors: amounts falling due after more than one year	7	<u>(41,876)</u>	<u>(41,876)</u>
Net assets		<u>89,726</u>	<u>89,726</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	<u>89,726</u>	<u>89,726</u>
Total shareholders' funds		<u>89,726</u>	<u>89,726</u>

The accompanying notes are an integral part of this balance sheet.

The financial statements on pages 6 to 11 were approved by the board on 26 June 2013 and signed on its behalf by:


George Watt
Director

STV Television Limited

Notes to the financial statements

Year ended 31 December 2012

1. Accounting policies

Accounting convention and basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below

Basis of consolidation

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its parent, STV Group plc, a company registered in Scotland. Information contained in these financial statements is therefore presented for the individual company rather than for the group.

Fixed asset investments

Fixed asset investments are stated at cost, less any provision for impairment.

Cash flow statement

A cash flow statement has not been included within these financial statements as the company is a wholly owned subsidiary of STV Group plc, which has prepared a consolidated cash flow statement, including the cash flows of the company, in its 2012 financial statements in accordance with FRS 1 (revised 1996).

Related party transactions

The company has taken advantage of the exemption contained in paragraph 3(c) of FRS 8 in respect of disclosure of transactions with fellow group undertakings.

2. Result/(loss) on ordinary activities before taxation

Auditors' remuneration costs were borne by another group company in the current and preceding years.

During 2012 and 2011, the company did not trade and consequently had no employees.

No director received remuneration from the company during the current or preceding year. The emoluments of the directors are paid by another group company which makes no recharge to STV Television Limited as it is not possible to make an accurate apportionment of their emoluments in respect of their services to specific group companies.

3. Exceptional administrative expenses

Intercompany forgiveness

During 2011 the company suffered an exceptional loss of £1,399,000 due to the forgiveness of intercompany loans to other group companies.

STV Television Limited

Notes to the financial statements (continued) Year ended 31 December 2012

4. Tax on result/(loss) on ordinary activities

	2012 £000	2011 £000
Current tax:		
UK corporation tax on loss of the year	-	-
Adjustment in respect of previous years	-	-
Tax on result/(loss) on ordinary activities	-	-

There is no provided or unprovided deferred tax.

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 24.5% (2011: 26.5%). The actual tax for the current year is equal and for the prior year differs to the standard rate for the reasons set out in the following reconciliation:

	2012 £000	2011 £000
Result/(loss) on ordinary activities before tax	-	(1,399)
Result/(loss) on ordinary activities multiplied by standard rate in the UK 24.5% (2011:26.5%)	-	371
Effects of:		
Expenses not allowable for tax purposes	-	(371)
Current tax charge for the year	-	-

During the year, a change in the UK corporation tax rate from 26% to 24%, effective from 1 April 2012, was substantively enacted in March 2012. A further reduction to 23%, effective from 1 April 2013 was substantively enacted in the Finance Act 2013 and the relevant deferred tax balances have been re-measured accordingly.

In addition to the changes in rates of corporation tax disclosed above, a number of further changes to the UK Corporation tax system were announced in the March 2013 UK Budget statement. Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014, and to 20% from 1 April 2015, will be included in the Finance Act 2013. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The overall effect of this further change, if it applied to the deferred tax balance at the balance sheet date, would have no significant impact on the accounts.

STV Television Limited

Notes to the financial statements (continued) Year ended 31 December 2012

5. Investments

Subsidiary undertakings	£000
At 1 January and 31 December 2012	<u>109,313</u>

Subsidiary undertakings

The directors consider the following to be the company's principal subsidiary undertakings:

Undertaking	Country of incorporation or registration and operation	Principal activity
STV North Limited	Scotland	Television broadcasting
STV Central Limited	Scotland	Television broadcasting
Ginger Television Productions Limited	England and Wales	Television production
Solutions.tv Limited	Scotland	Television broadcasting
STV Productions Limited	Scotland	Programme production
Altissimo Music Limited	Scotland	Music publishers
stv.tv Limited	Scotland	Online advertising

The directors believe that the carrying value of the investments is supported by their underlying net assets and trading performance.

6. Debtors

Due after one year

	2012 £000	2011 £000
Amounts owed by group undertakings	<u>22,289</u>	<u>22,289</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

7. Creditors: amounts falling due after more than one year

	2012 £000	2011 £000
Amounts owed to group undertakings	<u>41,876</u>	<u>41,876</u>

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

STV Television Limited

Notes to the financial statements (continued) Year ended 31 December 2012

8. Called up share capital

	2012 £	2011 £
Authorised		
9,000,000 (2011: 9,000,000) ordinary shares	<u>1</u>	<u>1</u>
Allotted and fully paid		
6,758,312 (2011: 6,758,312) ordinary shares	<u>1</u>	<u>1</u>

As part of the Group restructure in 2011, the ordinary share capital was reduced from £6,758,312 to £1 and share premium from £103,452,000 to £nil.

9. Profit and loss account

	£000
At 1 January and 31 December 2012	<u>89,726</u>

10. Ultimate parent undertaking

The immediate parent undertaking is STV News Services Limited.

The ultimate parent undertaking and controlling party is STV Group plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of STV Group plc consolidated financial statements can be obtained from the company secretary at Pacific Quay, Glasgow, G51 1PQ.