

Digital UK Limited
(a company limited by guarantee)

**Annual report
and financial statements**
Registered number 5422613
Year ended 31 December 2013

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Chairman's statement

This year has seen a change in focus for Digital UK away from the co-ordination of large broadcasting projects, such as switchover, to focusing on managing and developing digital terrestrial television. Under the leadership of new CEO Jonathan Thompson, the company has taken on responsibly for strategy, policy and the day-to-day management of the DTT platform, including the Freeview programme guide and the launch of new channels.

I am delighted to report that despite the continuing proliferation of ways to watch TV, DTT remains the most popular way to enjoy television in the UK and offers 95 per cent of the most-watched programmes without subscription. The last year also saw the launch of new free-to-air HD services and the first local TV channels. However, this fast-changing environment is no place for complacency. It will be vital in the years ahead that the platform evolves in line with viewer expectations. Digital UK will lead on the strategy for the platform, working with our partners in the broadcast industry to explore new technologies, including connected services, and commissioning research to ensure we seize the opportunities and keep pace with changes in viewer behaviour.

I would like to congratulate Jonathan and his team for the way they have responded to these new challenges. However, there are more to come. Key decisions are now being made about the future allocation of UHF spectrum across Europe, which will directly affect the future of the DTT platform. Digital UK is working with its members – the BBC, ITV, Channel 4 and Arqiva - and broadcasting partners in the EU to encourage policy makers to make the right decisions, ensuring the long-term sustainability of the platform and preserving this important UK asset.

Drawing on our experiences from managing switchover and the successful clearance of spectrum in the 800MHz band for the launch of 4G mobile services, we will continue to support both viewers and wider DTT stakeholders with information and advice about terrestrial TV services, reception and equipment. Digital UK's contact centre has evolved to offer a dedicated Freeview advice line, thanks to a closer relationship with Freeview who now share our Percy St offices, while our website continues to serve thousands of visitors each day.

Following the end of the clearance programme we have also maintained close links with at800, the company established by the mobile network operators to mitigate possible interference caused by the rollout of new mobile broadband. To date the levels of interference to DTT from 4G phones has proved much lower than originally predicted but it is early days and we remain ready to work with at800 to ensure enquiries from DTT viewers are quickly and effectively handled.



Caroline Thomson
Chairman

Strategic report

Review of the business

As I approach the end of my first year at Digital UK the company itself has also been developing a new and exciting role. Following the success of switchover and clearance of airwaves in 800MHz band for 4G mobile broadband, our new mission now sees us working even closer with broadcasters and industry to support terrestrial TV viewers and manage day-to-day operations on the DTT platform.

DTT – with Freeview at its heart - remains the most popular way to watch television in the UK.

The challenge now is to look ahead to the future and develop a strategy that ensures the platform continues to evolve and deliver, both for viewers and stakeholders. As an example, over the last year we have worked with our partners at the BBC, Arqiva and new multiplex operator Comux to prepare for the launch of not only more HD channels on Freeview but also a new wave of local TV services. Digital UK's teams will be working alongside the BBC again in the coming months to bring its local radio stations to the platform for the first time.

Our website and contact centre continue to support viewers with all aspects of terrestrial television, from advice on the type of equipment available to retuning their TVs to ensure they can enjoy all of the channels available in their area. In 2013, Digital UK's website received around 1.2m visits and advice line staff helped more than 155,000 people directly via telephone, email and web chat.

Of course, the development of DTT relies on the continued availability of sufficient spectrum on which to broadcast channels. As Digital UK's Chair Caroline Thomson notes, plans to clear yet more airwaves for mobile services are currently being considered by policy makers and these may include those currently used by terrestrial television. The consequences of this could be far reaching for both broadcasters and viewers alike - potentially even threatening the very future of Freeview.

Any changes to spectrum must continue to allow for a strong, free-to-air TV service with the line-up of channels and level of coverage as viewers enjoy today. This is why we are actively urging Government to ensure future decisions do not weaken DTT and that any changes result in the minimum disruption and costs for both broadcasters and the public. As part of this we have already commissioned research from media and telecoms consultancy firm Communications Chambers, highlighting the importance of terrestrial TV in driving investment and competition in the industry and its value to the UK economy.

This said, while 90 per cent of TV viewing is still to linear broadcasts, it is impossible to ignore that we are all living in a more connected world. DTT is embracing this. Smart TVs and YouView now offer access to on-demand and catch-up services alongside traditional channels, providing viewers the best of both worlds, while the Freeview programme guide includes a section dedicated to channels delivered via the internet. We hope to build on this with our industry partners, including equipment manufacturers and the Digital TV Group, to further develop this area.

Together with our colleagues at Freeview, who now share our offices at Percy Street, we will be looking at this and other ways to ensure DTT continues to go from strength to strength in 2014 and remains the number one TV platform in the UK.

Strategic report *(continued)*

Financial performance indicators

Ofcom, the multiplex operators and Digital UK agreed a budget of £9.8 million for the 21 months to 31 December 2013 for the Channels 61 and 62 Clearance project. Digital UK revised this budget in March 2013 to £6.2 million. The final cost of this part of the project was £4.3 million a saving of £1.9 million against the revised budget.

Digital UK and the Members agreed a budget of £3.4 million for Platform Management activity in the Year Ended 31 December 2013. The Activities were delivered for £2.8 million a saving of 17.6%

The budget for the year ending 31 December 2014 has been agreed by the Digital UK Board and covers Platform Management activities. Funding for the budget has been confirmed by the members. This funding will enable Digital UK to continue to deliver the key tasks of the business during the year.

A three year business plan will be submitted to the Members along with the 2015 budget in October 2014 for approval.

The directors therefore consider that the Company has access to sufficient funding to meet its needs based on the guarantee provided by the company's stakeholders as set out in note 1 to the financial statements. Accordingly, the directors have prepared the financial statements on a going concern basis.

Financial risk management objectives and policies

The company uses cash, trade debtors and trade creditors that arise directly from its operations.

These are actively managed in order to minimise the company's exposure to risks.

The main financial risks are safeguarding the contributions received from the stakeholders and obtaining value for money in spending decisions in order to minimise risk.

Summary of key performance indicators

The directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to certain financial and non-financial key performance indicators such as successful completion of the Channel 61 and 62 clearance project.



Jonathan Thompson
Chief Executive

The Met Building
22 Percy Street
London
W1T 2B
24 June 2014

Directors' report

Principal activity from 1 January 2013

Digital UK is now owned and funded by the digital terrestrial television multiplex licensees, the BBC, ITV, Channel 4 and Arqiva in equal shares.

Digital UK now has four principal activities:

- Managing the implementation of a project for Ofcom to clear television from frequencies 61 and 62 for the mobile broadband operators. The project was completed on 31 July 2013.
- Managing the EPG licence from Ofcom to allocate LCN numbers for the Freeview platform.
- Operating the technical co-ordination of the Platform.
- Overseeing the Strategic development for the Platform.

Results

The profit for the year is £nil. (*nine month period to December 2012: £Nil*)

Future developments

Digital UK is taking the lead in overall project management and technical specification of a Freeview connected TV proposition, which will help everyone experience the benefits of converged TV and internet services.

Digital UK will work closely with Freeview who will lead on launching and marketing a connected proposition to consumers. This is in line with the mandate for both companies agreed by their shareholders.

Directors' report *(continued)*

Company stakeholder members

The company is limited by guarantee. The stakeholder members ("the members") of the company, along with their individual representative voting rights and the changes in the period are as follows:

	As at 31 December 2013 %	As at 31 December 2012 %
British Broadcasting Corporation	25.00	58.02
ITV Network Limited	25.00	11.40
Channel Four Television Corporation	25.00	11.40
Arqiva Services Limited	25.00	6.48
Channel 5 Broadcasting Limited	-	9.07
SDN Limited	-	3.63
	—	—
Total	100.00	100.00
	==	==

Directors

The directors who held office during the period and at the date of approval of the financial statements are as stated below:

Name

Representative Body

Chairman

Caroline Thomson (appointed 1 January 2013)

Chief Executive

Sir David Scott CBE (resigned 31 July 2013)

Jonathan Thompson (appointed 1 August 2013)

Non Executive – Members' Representatives

Alexandra Pryde (resigned 21 January 2014)

James Jackson

Magnus Brooke

Katherine Wen

Glyn Isherwood

Keith Underwood

Steve Holebrook

Charles Constable

British Broadcasting Corporation

British Broadcasting Corporation

ITV Network Limited

ITV Network Limited

Channel Four Television Corporation

Channel Four Television Corporation

Arqiva Services Limited

Arqiva Services Limited

Directors' report *(continued)*

Statement as to disclosure of information to auditor

The directors who hold 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 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 auditor are aware of that information.

Auditor

The auditors KPMG LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the forthcoming Annual General Meeting.



Jonathan Thompson
Chief Executive

The Met Building
22 Percy Street
London
W1T 2B
24 June 2014

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

The directors are responsible for preparing the Strategic Report and 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).

The financial statements are required by law to 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.

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 their profit or loss 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 its 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 Digital UK Limited

We have audited the financial statements of Digital UK Limited for the year ended 31 December 2013 set out on pages 10 to 22. 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 Directors' Responsibilities Statement set out on page 7, 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.

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 2013 and of its profit 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Digital UK 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.

Karen Wightman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

9 July 2014

Profit and Loss Account
for the year ended 31 December 2013

	Note	Year Ended 31 December 2013 £000	9 month period to 31 December 2012 £000
Turnover	1		
Continuing operations (Platform Management)		2,815	-
Discontinued operations (61 and 62 Clearance)		3,593	797
Discontinued operations (Digital Switchover)		(1,660)	11,848
		<hr/>	<hr/>
		4,748	12,645
Cost of Sales		(3,100)	(9,032)
		<hr/>	<hr/>
Gross profit		1,648	3,613
Administrative expenses		(1,661)	(3,630)
Operating loss	2 & 6		
Continuing operations (Platform Management)		(13)	-
Discontinued operations (Digital Switchover)		-	(17)
		<hr/>	<hr/>
		(13)	(17)
Interest receivable	3	17	23
		<hr/>	<hr/>
Profit on ordinary activities before taxation		4	6
Tax on profit on ordinary activities		(4)	(6)
		<hr/>	<hr/>
Result for the period		-	-
		<hr/> <hr/>	<hr/> <hr/>

Activity relating to Digital Switchover ended on 31 December 2012. The 61 and 62 Clearance activity finished on 31 July 2013. A new activity of Platform Management commenced in 2013.

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 13 to 21 form part of the financial statements.

Balance sheet
at 31 December 2013

	Note	31 December		31 December	
		2013	2013	2012	2012
		£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	7		12		-
Current assets					
Debtors	8	1,386		2,860	
Cash at bank and in hand	11	5,518		11,844	
		<u>6,904</u>		<u>14,704</u>	
Creditors: amounts falling due within one year	9	<u>(6,916)</u>		<u>(13,054)</u>	
Net current (liabilities) / assets			(12)		1,650
Total assets less current liabilities			-		1,650
Provisions for liabilities	15		-		(1,650)
Net assets			-		-
Capital and reserves					
Profit and loss account			-		-
Shareholders' funds			-		-

These financial statements were approved by the board of directors on 24 June 2014
and were signed on its behalf by:



Jonathan Thompson
Chief Executive

Cash Flow Statement

for the year ended 31 December 2013

	<i>Note</i>	Year to 31 December 2013 £000	Period to 31 December 2012 £000
Net cash outflow from operating activities	<i>10</i>	(6,120)	(5,467)
Returns on investments and servicing of finance	<i>10</i>	17	23
Taxation	<i>10</i>	(6)	(8)
Capital expenditure	<i>10</i>	(217)	-
Decrease in cash	<i>11</i>	(6,326)	(5,452)

Notes

(forming part of the financial statements)

Accounting policies

Basis of accounting

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

As detailed in the directors report, the accounts have been prepared on a going concern basis.

Turnover

Revenue is recognised when services are performed or when fixed expenditure is incurred.

The six main categories of income are:

Platform Management - Operations Income: contributions from the members in equal proportions

Platform Management – Multiplex Specific income: contributions from the members proportionate to the number of multiplexes operated by each member.

Channel 61 and 62 Clearance: Contributions exclusively from Ofcom for spectrum clearance planning.

Communications income: contributions exclusively from the British Broadcasting Corporation (BBC) for communications activities.

Operations income: contributions in the proportion of voting rights of stakeholder members for operational activities.

Help Scheme income: contributions exclusively from the Digital Switchover Help Scheme (a wholly owned subsidiary of the BBC) for generic Help Scheme communications activities.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	25%
Plant & machinery	-	25%
Fixtures, fittings and equipment	-	25%

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Pension costs

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes *(continued)*

1 Turnover

The total turnover of the company for the period has been derived from its principal activities, all of which are generated in the United Kingdom.

	Year to 31 December 2013		Period to 31 December 2012	
	£000	£000	£000	£000
Platform Management				
Operations Income	1,838		-	
Multiplex Specific Income	977		-	
		2,815		-
Channels 61 and 62 clearance		3,593		797
Digital Switchover				
Communications income	(450)		7,209	
Operations income	(1,210)		3,627	
		(1,660)		11,848
Digital Switchover Help Scheme income		-		1,012
		4,748		12,645
Contributions utilised in the Period				
Members and Affiliates (Note 13)		4,607		12,595
Non-Related Parties		141		50
		4,748		12,645

The negative turnover for income has arisen due to media buying and production rebates received in the year along with the refund of previous contributions to members following the release of closure provisions.

Notes (continued)

2 Operating loss

	Year to 31 December 2013 £000	Period to 31 December 2012 £000
Operating loss is stated after charging:		
Directors' emoluments	844	341
Depreciation of owned fixed assets	205	58
Other operating lease costs	204	154
	844	553

Auditors' remuneration:

Audit of these financial statements	21	20
Taxation compliance services	5	5
Other tax advisory services	-	8
All other services	-	20
	26	53

3 Interest receivable

	2013 £000	2012 £000
Bank interest	17	23
	17	23

4 Staff numbers and costs

The average number of persons employed by the Company (including remunerated directors) during the period, analysed by category, was as follows:

	Number of employees Year to 31 December 2013	Period to 31 December 2012
Directors	2	2
Administration	19	40
	21	42

The aggregate payroll costs of all staff (excluding Directors) were as follows:

	2013 £000	2012 £000
Wages and salaries	1,148	1,565
Social security costs	189	280
Redundancies	3	31
Other pension costs	113	176
	1,453	2,052

Notes *(continued)*

The remuneration in respect of directors was as follows:

Aggregate Emoluments		
Directors emoluments	337	341
Allowance in lieu of pension	18	-
Amounts receivable under Long term incentive schemes	334	-
Compensation for loss of office	155	-
	<u>844</u>	<u>341</u>

The highest paid Director left Digital UK Following a successful Digital Switchover and the Clearance of 800 MHz on 31 July 2013. The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £546,000 (2012 :£269,000). The highest paid director received £155,000 compensation for loss of office (which included payment in lieu of notice £125,000).

The Chairman and Chief Executive are the only directors to receive remuneration in the period.

5 Pension costs

The company operates a defined contribution pension scheme in respect of its staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £113,000 (*Period to 31 December 2012: £176,000*). At 31 December 2013, contributions of £17,000 were outstanding (*2012: nil*).

6 Tax on profit on ordinary activities

	Year to 31 December 2013 £000	Period to 31 December 2012 £000
Bank interest received	17	23
UK corporation tax at 23.25% (2012 24%) thereon	(4)	(6)
Adjustments in respect of prior years	-	-
Taxation charged to the profit & loss account	<u>(4)</u>	<u>(6)</u>

Digital UK Limited is a 'not for profit' organisation, but is charged corporation tax on its interest receivable in the period.

Notes (continued)

7 Tangible fixed assets

	Leasehold improvements £000	Plant & machinery £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At beginning and end of period	142	367	164	673
Acquisitions in the year	-	-	217	217
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	142	367	381	890
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation				
At beginning of period	142	367	164	673
Charge for period	-	-	205	205
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	142	367	369	878
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value				
At 31 December 2013	-	-	12	12
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2012	-	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

8 Debtors

	Year to 31 December 2013 £000	Period to 31 December 2012 £000
Trade debtors	389	1,621
Other debtors	114	321
Prepayments and accrued income	883	918
	<hr/>	<hr/>
	1,386	2,860
	<hr/> <hr/>	<hr/> <hr/>

Notes *(continued)*

9 Creditors: amounts falling due within one year

	Year to 31 December 2013 £000	Period to 31 December 2012 £000
Trade creditors	21	268
Other creditors	144	112
Corporation tax	14	6
Other taxation and social security	211	190
Deferred consideration	522	-
Deferred income	5,805	11,404
Accruals	199	1,074
	<u>6,916</u>	<u>13,054</u>

Deferred consideration of £522,000 represents the purchase of the assets and liabilities of DTT Multiplex Operators limited on 1 January 2013. At present no consideration has been paid over in relation to this purchase.

10 Reconciliation of operating loss to net cash outflow from operating activities

	Year to 31 December 2013 £000	Period to 31 December 2012 £000
Operating loss	(13)	(17)
Depreciation	205	58
(Decrease)/increase in debtors	1,474	(829)
(Decrease) in creditors	(6,136)	(5,898)
(Decrease)/Increase in Provisions	(1,650)	1,219
	<u>(6,120)</u>	<u>(5,467)</u>
Net cash (outflow) from operating activities	(6,120)	(5,467)
	2013 £000	2012 £000
Returns on investment and servicing of finance		
Interest received	17	23
	<u>17</u>	<u>23</u>
Taxation		
Taxation	(6)	(8)
	<u>(6)</u>	<u>(8)</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(217)	-
	<u>(217)</u>	<u>-</u>

Notes (continued)

11 Reconciliation of net cash flow to movement in net debt

	Year to 31 December 2013 £000	Period to 31 December 2012 £000	
Decrease in cash in the period	(6,326)	(5,452)	
Movement in net funds in the period	(6,326)	(5,452)	
Net funds at 1 January 2013	11,844	17,296	
Net funds at 31 December 2013	5,518	11,844	
Analysis of changes in net cash			
	At 01 January 2013 £000	Cash Flows £000	At 31 December 2013 £000
Net cash:			
Cash in hand and at bank	11,844	(6,326)	5,518

12 Financial commitments

At 31 December 2013, the company had annual commitments under non-cancellable operating leases as follows:

	31 December 2013 £000	31 December 2012 £000
Expiry date		
Between two and five years	204	204

Notes (continued)

13 Related party transactions

During the period the company received contributions from its stakeholder members and companies connected with the directors or membership as follows:

	Deferred income as at 31 December 2012	Amounts due as at 31 December 2012	Contributions utilised; in the period to 31 December 2013	Amounts deferred to future periods	Amounts due as at 31 December 2013
	Net	Gross	Net	Net	Gross
	£000	£000	£000	£000	£000
Stakeholders					
Members					
British Broadcasting Corporation	9,607	919	434	4,331	-
ITV PLC	-	171	1,387	313	201
Channel Four Television Corporation	-	171	1,240	247	7
Channel 5 Broadcasting Limited	-	108	(107)	106	-
Arqiva Services Limited	899	96	1,519	526	-
SDN Limited	449	54	(43)	162	-
Affiliates					
Freeview Limited (Common ownership)	-	-	169	-	83
Digital 3&4 Limited (Common ownership)	449	-	-	119	-
Youview (Common ownership)	-	-	8	-	-
DTT Multiplex Operators Limited (Common Management)	-	112	-	-	-
At end of the period	11,404	1,631	4,607	5,805	291

During the period the company purchased services on normal commercial terms from its stakeholder members and companies connected with the directors as follows:

	Services provided	Value of services provided during the Year to 31 December 2013	Period to 31 December 2012
		£000	£000
Shareholder member			
British Broadcasting Corporation	Caption costs	327	113
ITV Network	Advertising & Caption costs	-	537
Channel 5 Broadcasting Limited	Advertising & Caption costs	-	19
Arqiva Services Limited	Technical projects	30	99
Other related parties			
Digital 3&4 Limited (Common ownership)	Technical projects	142	187
Freeview	Research	18	-
Digital TV Group Limited (DRA Scott)	Infrastructure	10	10

The British Broadcasting Corporation, ITV, Channel 4 and Channel 5 provide air-time free of charge for on screen captions and general switchover promotional messages.

Notes (continued)

14 Deferred Income

	Digital Switchover £000	Channels 61 and 62 clearance £000	Platform Management £000	Total £000
Deferred Income at 1 January 2013	8,708	2,696	-	11,404
Income (refunded)/receivable in the period:				
Members and Affiliates	(6,000)	1,560	3,431	(1,009)
Non-related Parties		57	84	141
Bank Interest	5	1	11	17
Contributions refunded /(utilised) in the period:				
Members and Affiliates	1,657	(3,539)	(2,725)	(4,607)
Non-related Parties	-	(57)	(84)	(141)
At 31 December 2013	4,370	718	717	5,805

Category of Income

Switchover Communications	4,008
Digital Switchover Help Scheme	362
Channels 61 and 62 Clearance	718
Platform Management – Multiplex Specific	405
Platform Management - Operations	312
At 31 December 2013	5,805

The negative turnover for income has arisen due to media buying and production rebates received in the year along with the refund of previous contributions to members following the release of closure provisions.

15 Provisions for liabilities

	Final Switchover costs £000	Total £000
1 January 2013	1,650	1,650
Amounts paid in the period	(390)	(390)
Provision released through profit and loss	(1,260)	(1,260)
At 31 December 2013	-	-

The balance of the provision for final switchover costs relating to staff, rent, general office costs and dilapidations was released on 31 December 2013.

Notes (continued)

16 Company limited by guarantee

Every stakeholder member undertakes to contribute to the assets of the company in the event of it being wound up while they are a member or within one year after they cease to be a member for payment of debts and liabilities of the company contracted before they cease to be a member and of the costs, charges and expenses of winding up and for the rights of contributories among themselves such amount as may be required not exceeding one pound.