ZERO

Net Zero Carbon Emissions by 2030

STV Zero is an ambitious and wide-reaching sustainability strategy to become net zero carbon; and to encourage viewers, colleagues and partners to help create a more sustainable society, as together we tackle humanity's greatest challenge.

Our programme of activities and related targets to reduce the carbon impact of the business covers five key areas:

- energy consumption
- waste reduction
- programme making
- promoting sustainability using STV's reach
- achieving a sustainable supply chain

Visit stvplc.tv/social-impact/sustainability

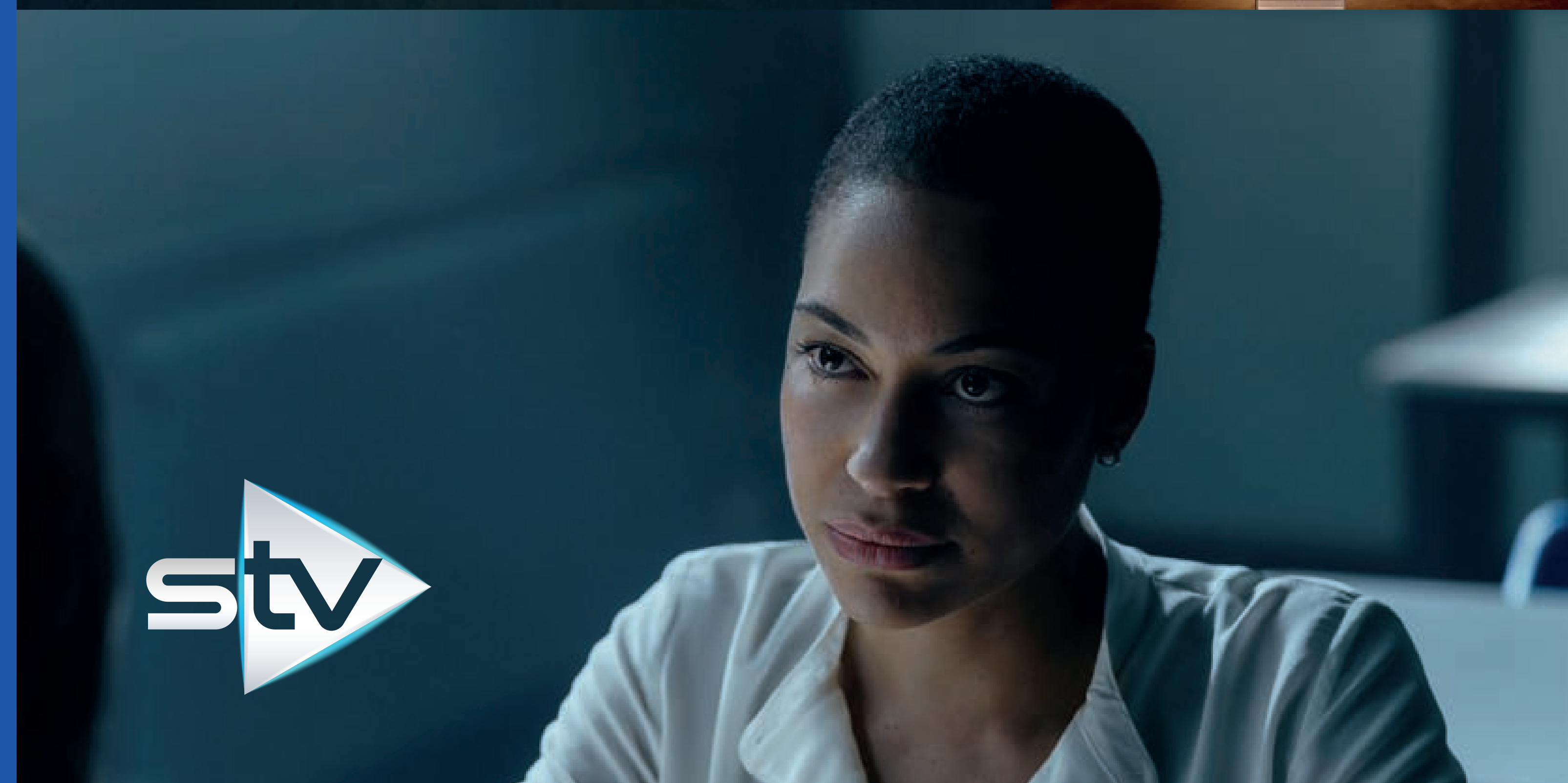
STV Group plc
Pacific Quay
Glasgow G51 1PQ
Tel: 0141 300 3000
www.stvplc.tv

Company Registration Number SC203873

Annual Report and Accounts 2024

STV Group plc



Annual Report and Accounts 2024




Contents

View our Annual Report and Accounts and shareholder information at **stvplc.tv**

2024 financial highlights

Financial performance resilient; driven by acquisition-related growth in Studios and Euros-related advertising

Revenue	Total advertising revenue[1]	Adjusted operating profit[2]
£188.0m	£102.0m	£20.6m
2023 £168.4m	2023 £97.3m	2023 £20.1m
Adjusted operating margin[2]	**Profit before tax**	**Profit for the year**
11.0%	£10.4m	£13.1m
2023 11.9%	2023 £nil	2023 £5.3m
Cash generated by operations	**Dividend per share**	**Adjusted EPS[2]**
£17.7m	11.3p	29.0p
2023 £10.8m	2023 11.3p	2023 28.2p

1 Excluding national VOD advertising commission.
2 See note 7 to the financial statements.

We're passionate about content – making, sharing, streaming and watching – from our bases across the UK and internationally

Our business is organised into three dynamic operating divisions – Studios, Digital and Broadcast.

STV Studios

Studios

Scotland's largest, and one of the UK's leading, production groups

The Group's award-winning production business, STV Studios, is Scotland's biggest production company and one of the UK's top ten indies, creating world class content for a range of UK and international broadcast networks and streamers including BBC One and Two, ITV, Channel 4, Channel 5, Apple TV+, Netflix, Discovery and Sky.

STV Studios is a family of 21 leading production labels across every genre, from documentary and factual, to entertainment and drama, with bases in Glasgow, Belfast, Manchester, Brighton, London and Cardiff.

It's an unrivalled network of senior creative leaders across the UK, with a rich and varied pipeline of new programme ideas, 37 established returning series and a rich programme archive of 4,500 hours.

Shows include *Antiques Road Trip* (BBC), *Criminal Record* (Apple TV+), *Bridge of Lies* (BBC), *Celebrity Catchphrase* (ITV), *LEGO Masters* (Fox & Nine Network), *Trucking Hell* (Channel 5), *Blue Lights* (BBC) and *The Yorkshire Auction House* (Really).

STV Player

Digital

Pan-UK streaming service

STV's free streaming service, STV Player, features an ever-growing library of premium content including high quality UK original and international drama box-sets, sport and factual entertainment – much of which isn't available to stream on any other platform in the UK.

STV Player is pre-installed in three quarters of the UK's Connected TV homes and is available on all major platforms, including Sky, Virgin Media, Amazon Fire TV, Freesat, YouView, Freely and Freeview Play.

Show highlights include true crime drama, *Joan*; hit Irish police soap, *Red Rock*; legal thriller, *Betrayal*; and iconic soap, *Brookside*. We also offer viewers a unique package via a partnership with Premier Sports, providing a variety of top-flight sports coverage.

Viewers can also watch Player content ad-free and download shows by subscribing to STV Player+.

STV

Broadcast

Scotland's most-watched commercial channel

Broadcasting since 1957, STV operates the Channel 3 licences across central and north Scotland and is free-to-air on all the main TV platforms in Scotland. STV reaches 2.8 million adults each month, making it an unrivalled marketing platform in our home market for advertisers. A public service broadcaster, STV brings viewers a strong schedule of network programming alongside locally produced news, current affairs and factual entertainment shows.

STV is home to some of the most popular shows on television, including iconic soaps *Coronation Street* and *Emmerdale*; entertainment hits *The Masked Singer* and *I'm A Celebrity... Get Me Out Of Here!*; gripping dramas including *Mr Bates vs The Post Office* and *Trigger Point*; and a wide-ranging selection of regional productions including flagship news programme *STV News at Six*, the most watched news programme in Scotland, and entertainment show, *What's On Scotland*.

Celebrity Antiques Road Trip
STV Studios Factual for BBC Two

STV News at Six
STV and STV Player

Out of Order
Rumpus Media for Comedy Central

Red Rock
STV Player

Trigger Point
STV and STV Player

Celebrity Bridge of Lies
STV Studios Entertainment for BBC One


I'm A Celebrity… Get Me Out Of Here!
STV and STV Player


Vera
STV and STV Player

Blue Lights
Two Cities Television for BBC One

STV strategic objectives, KPIs and targets

STV's strategic plan will drive accelerated, profitable growth across the Group. Our strategic vision is to produce world-class content for UK and international commissioners; maximise total STV viewing across all owned platforms; and optimise the commercial potential of our audiences.

We'll do this by delivering on four key areas with clear targets and clever tactics, creating a more balanced, profitable and resilient business which is ideally positioned for a digital-first world.

Strategic objective 1: Content
Focus: accelerate UK and international STV Studios growth

KPI	2024	2026 Target	On track?
Number of returning series	**37**	45	✓
% of shows with IP revenues	**63%**	75%	✓
% revenue from international markets	**45%**	25%	✓

Strategic objective 2: Audience
Focus: drive streaming growth and maximise total STV viewing

KPI	2024	2026 Target	On track?
Commercial audience share	**No.1**	Stay No.1	✓
STV Player reach as % of total STV reach	**38%**	50%	✓
Number of monthly active users	**1m**	1.5m	✓
Streams and consumption	**148m/69m hours**	190m/90m hours	✓

Strategic objective 3: Monetisation
Focus: maintain advertising leadership and grow new revenues

KPI	2024	2026 Target	On track?
% of large commercial audiences on STV	**97%**	90%	✓
Advertiser re-booking rate	**54%**	60%+	✓
Number of new advertisers on STV	**124**	75+	✓
Number of paying subscribers	**22,000**	50,000+	✓

Strategic objective 4: Organisation
Focus: continued development of a modern, simplified business

KPI	2024	2026 Target	On track?
Annual run-rate cost savings	**£1.9m**	£5m p.a.	✓

Chairman's statement

Paul Reynolds
Chairman

2024 was another challenging year for the media industry with international and domestic economic uncertainty and a cautious commissioning market, which flowed through to tough markets for advertising and new content creation. STV is stronger and more resilient than ever, so we responded well, although we had our own particular changes to manage with the news that our CEO was moving on, and a Board roster up for significant refresh.

Performance

Revenue outcome for the year was £188m (2023: £168m) with adjusted operating profit of £20.6m (2023: £20.1m). More details are included in the Finance Review on pages 30 to 32.

Performance was helped in H1 by the Euros football tournament delivering strong audience and advertising numbers, but H2 was much more subdued due to the UK's General Election and the new Government's first Budget. There were also tough prior year comparators in Q4, which benefitted from the Rugby World Cup in 2023. As a result, our financial performance was more evenly split across H1/H2 than has been the case previously. Notwithstanding this macro backdrop, we continued to make progress in the delivery of our strategic plan through focusing on key creative labels in Studios, developing partnerships in Digital through the Premier Sports tie-in, staying close to our Scottish advertisers, and shaping our organisation for the future.

Strategy

Our strategy over the past few years has laid strong foundations for growth and in March 2024 we set out the next phase of STV's transformation. Refreshed strategic objectives for the business are focused around the pillars of Content, Audience, Monetisation and Organisation. We are making good progress against the ambitious 3-year strategy and the new targets and KPIs that underpin it.

Content

Our growing scale has delivered 51 new commissions or recommissions in what has been a very difficult market in 2024. We completed the integration of Greenbird Media, acquired in July 2023, and reviewed the creative labels in our expanded portfolio to ensure a focus on those with the highest potential to create returnable formats with international appeal. We increased our minority stakes to a majority in drama producers Two Cities, factual format producers Hello Halo and entertainment label Rumpus Media; and increased stakes in unscripted specialists Tuesday's Child and Crackit TV. We also parted company with four labels, taking the overall number of labels in the STV Studios portfolio to 21.

Audience

Broadcast TV channels and their streaming services – such as STV and STV Player – still dominate video viewing, despite the attention given to new streaming competitors. Therefore, the news that STV has renewed its Channel 3 licences for a further 10 years to 2034 is welcome and I am delighted that STV remained Scotland's dominant commercial channel in 2024. STV Player also continued its growth trajectory, with active registered users up and registrations to subscription service, STV Player+, also increasing. Our ITV deal provides high quality Channel 3 content and we have an ever-growing library of third-party programmes, much of which is exclusive to STV Player and available UK-wide, which gives STV Player its wide appeal and attractiveness. We continue to seek more revenue diversification opportunities and partnerships, a great example of this being our exciting new partnership with Premier Sports.

Monetisation

We are proud of our leading commercial offer for advertisers: a one-stop-shop for brands combining the unrivalled mass reach of national advertising, with our uniquely powerful local advertising platform for Scottish SMEs, and a highly targeted digital advertising capability via STV Player. We can offer the breadth of proposition in Scotland, in terms of scale, with 97% of the top commercial audiences in Scotland on STV in 2024 and our Growth Fund continues to make TV advertising more affordable and accessible.

Organisation

We are modernising and simplifying our business for a digital world and controlling our cost base, on track to deliver savings of £5m p.a. by the end of 2026.

Culture

One responsibility of the Board is to make sure we have a positive workplace culture and empower our people to make a difference, so we continue to invest in talent and drive a culture of belonging.

The Board also gives priority to STV's social impact, which includes our STV Zero strategy, and embedding our inclusion priorities – both on and off screen. Through the STV Children's Appeal we use our reach to shine a light on the issue of child poverty in Scotland and, with our partners, raised £2.4m this year for projects across Scotland.

Pages 42 to 46 show how we are working to deliver for our stakeholders.

Governance and Board operations

As your Chair, one of my key responsibilities is to ensure good governance. This starts with having a challenging, engaged Board that is close to the business, adds value to strategy and competently manages risk.

There were some changes to the Board during the year with three Directors stepping down, giving us the opportunity to welcome new talent.

We announced in March 2024 that Simon Pitts intended to step down as Chief Executive and he left the business on 31 October 2024. He remained focused on the delivery of the Company's strategy and targets throughout and worked hard to deliver the effective transition of his responsibilities. On behalf of the Board, I would like to thank Simon for his very significant contribution over almost seven years, not only as the architect of the strategy that has re-shaped STV but for bringing the operational and leadership skills to deliver. He leaves with our best wishes for his new role.

Following a very thorough selection process, the Board was delighted to appoint Rufus Radcliffe as Chief Executive from 1 November 2024. Rufus was a standout candidate who brings a rare breadth of strategic and operational experience as well as a deep understanding of STV's culture, making him the ideal fit to continue STV on its growth strategy.

The Board recognised the broadening of Lindsay Dixon's role and increased responsibilities, and in April 2024 she was promoted to an expanded role of Chief Financial & Operating Officer.

Ian Steele stepped down from the Board as Independent Non-Executive Director and Chair of the Audit & Risk Committee at the conclusion of the Annual General Meeting on 1 May 2024, having served for more than eight years. I would like to extend my thanks to Ian for his financial expertise, constructive challenge and unstinting support throughout his tenure, which have been invaluable to STV.

In September 2024 the Board welcomed Colin Jones as an Independent Non-Executive Director and Chair of the Audit & Risk Committee. An experienced FTSE-250 CFO, Colin had a highly successful executive career in the technology, media and telecommunications sector and currently holds a number of non-executive positions at other UK and South African listed companies.

Simon Miller, Senior Independent Director and Designated Non-Executive Director for Workforce Engagement, stepped down from the Board after a tenure of eight years in December 2024. On behalf of the Board, I would like to thank Simon for his commitment and outstanding contribution providing invaluable support as Senior Independent Director and as the voice of our colleagues in the boardroom.

With the aim of running a slightly smaller, more efficient Board going forward, we have only appointed one Non-Executive Director to replace the two who left. Colin Jones succeeded Mr Miller as Senior Independent Director and David Bergg, Independent Non-Executive Director and Chair of the ESG Committee, succeeded Simon Miller as Designated Non-Executive Director for Workforce Engagement.

The biographies of the current Directors on the Board can be found on pages 70 and 71.

Dividend

The Board places great emphasis on generating returns for our shareholders. In setting the dividend, we have considered the Group's overall financial performance for the year and the many potential uses of generated cash, taking account of business risks, including the continuing macroeconomic uncertainty and short-term outlook. The Board proposes a final ordinary dividend of 7.4p per share, which, when added to the interim dividend, provides a total dividend for the year of 11.3p per share in line with 2023. This will be paid, subject to shareholder approval at our AGM on 30 April 2025, to shareholders on the register at close of business on 22 April 2025.

Looking to the future

Whilst the current challenging macro-economic conditions continue to be difficult for consumers and businesses alike, I and my fellow Board members are very positive that STV is well-placed to make good progress in the years ahead. I am excited about the experience and expertise Rufus brings to STV and look forward to working with him in the coming months as he shapes the next stage of business growth for STV.

Finally, I'd like to thank fellow Board members, the Management Board, and all our wonderful STV people for their steadfast commitment and dedication to STV.

Paul Reynolds
Chairman

A view from the STV Executive

STV's recently appointed Chief Executive, Rufus Radcliffe, comes together with the Group's Chief Financial & Operating Officer, Lindsay Dixon, to discuss the business performance and activities of 2024, with a look ahead to 2025. Rufus joined STV on 1 November 2024.

How would you summarise 2024 for STV Group plc?

Lindsay: We delivered a good result in a very challenging market. The strong first half was shaped by the brilliant advertising and viewing performance delivered by the Euros, with the second half being tougher as we moved through a period of UK government change, the first Labour Budget, and strong comparators in Q4 with the Rugby World Cup in 2023.

Group revenue and adjusted operating profit were in line with our expectations, and the future remains supported by a strong orderbook in Studios. Costs and cash continue to be well-controlled in a world of many headwinds and we have just secured a new revolving credit facility that will provide the liquidity and flexibility to support the next phase of business growth. We've achieved much better balance across the key areas of our business and are on track to deliver savings of £5m by 2026.

Connections with our audience remain strong, underpinned by our rich and varied schedule of top-quality TV shows on STV and STV Player. In Studios, we won 51 programme commissions and recommissions, many of which have been, or have the potential to be, licenced internationally. The 21 creative labels within the Studios division work across all genres from high-end drama to shiny floor entertainment and on-the-road antiques shows, and have worked well to complement each other as trading conditions have remained challenging.

Rufus, you joined the business on 1 November. What are your first impressions?

Rufus: The foundations of the business are strong and there's real growth potential which we're actively exploring. I've been struck by the passion and commitment of my new colleagues, the brand strength in Scotland and connection with viewers and advertisers, and the sizeable international prospects of the Studios business. It's a special and iconic business with huge potential and I'm excited about working closely with my new colleagues to continue to build a successful future for STV.

2023 saw the major acquisition of Greenbird Media. What impact has this had on the business through 2024?

Lindsay: This acquisition brought talent, scale and enhanced international potential to STV. It's generating a return on invested capital in line with the acquisition business case, which is particularly pleasing given the continuing tough commissioning market.

We've significantly increased our IP library, enhanced our nations and regions production potential, broadened our network of contacts and added to our creative firepower. We increased our stake in four of our unscripted labels during the year (Tuesday's Child, Crackit, Hello Halo and Rumpus Media) and, separate to the Greenbird acquisition, we also moved to a majority holding in *Blue Lights* producer, Two Cities.

Rufus: Our new labels have had some impressive wins in 2024. Tuesday's Child's *The Fortune Hotel* won a second series from ITV; Hello Halo secured an original new format, *Game of Wool*, for Channel 4; and Crackit TV won two original formats from Channel 4 and Channel 5 – to name a few. We're confident of further success from our impressive collection of creatives, especially when the commissioning market starts to improve.

The addition of the GBM labels also means that we have significantly enhanced our international potential. Several of their returning series sell well abroad, such as *LEGO Masters*, which is successful in the US, and *The Hit List*, which was recently licenced in Spain and France. We now have 4,500 hours of programming in our distribution portfolio.

What have been the key challenges in 2024 and how have you addressed those?

Lindsay: The key challenge of 2024 has been the macro-economic backdrop combined with the unsettling effect of political change in the UK – and internationally – which have impacted consumer confidence and commissioning budgets alike.

We saw some encouraging signs of wider economic growth in the early part of 2024, with inflation reducing, interest rates stabilising and the Euros providing an unmissable event for audiences and advertisers. But the advertising market has remained very challenging, and in production content buyers are under similar pressures which has led to a slower rate of commissioning.

We've worked hard to limit the impact of these factors on the business. We've maximised opportunities around key content and moments in the schedule and developed creative solutions for brands. Our acquisition strategy in Studios has allowed us to spread our bets, with 51 commissions won in 2024, including valuable drama series. Our cost savings are on track, although the increase to employers' national insurance from 1 April 2025 does present a new challenge.

Rufus: Like the rest of the industry, we continue to see the migration of viewers from linear to digital as viewing habits evolve but we see this as an opportunity. Our streaming business continues to grow and we're constantly enhancing the user experience and strengthening an ever-growing high quality content catalogue much of which is exclusive to STV Player. We're pleased to have increased our active registered users to STV Player by 11% year on year; and STV and STV Player combined are still the clear number 1 for commercial audiences in Scotland.

What progress has been made across ESG?

Lindsay: These activities are an integral part of how we do business. Whether that's raising awareness of sustainable lifestyles during 'Sustainable Scotland Week' on STV or creating an inclusive culture for colleagues to thrive, or giving back through the STV Appeal, our ESG targets ensure continued focus on the creation of long-term value. With 12 of 14 sustainability targets achieved in 2024, we've also prioritised emissions monitoring to enhance disclosure and reporting. Our award-winning 'Expert Voices' media coaching initiative has supported over 1,700 people, 10% of whom contributed to our programming during 2024.

Rufus: I've been hugely impressed by the work of the STV Children's Appeal, which supports children and young people impacted by poverty across Scotland. Our dedicated programming shone a light on these critical issues, and our fundraising activities helped raise £2.4m for those who need it most, making a total of over £37m since 2011.

How will you deliver value for shareholders in 2025?

Rufus: I'm working closely with the team on a refreshed strategy for the business, which we'll share in May 2025. Priorities will be continued growth momentum and international ambition, the exploration of new revenue opportunities and partnership working, and the delivery of exceptional content.

STV is a resilient and nimble business with great growth potential and with a refreshed strategy and solid future planning, I'm confident that we'll continue to deliver for our viewers, advertisers and shareholders going forward.

I'd like to thank my new colleagues and our Board for the warm welcome to STV. I'm very excited about what the future holds for the business.

Rufus Radcliffe
Chief Executive

Lindsay Dixon
Chief Financial & Operating Officer

The STV investor proposition

STV has a clear strategy, which is understood and embedded across the organisation, to grow our Digital and Studios businesses to take advantage of the accelerating market in global video, while maximising the value of our linear Broadcast channel and the market-leading advertising platform it represents.

We have developed a leading commercial digital platform and growing library of programme IP that can be monetised. We have a fully addressable digital advertising offering and a series of relationships with content acquirors and distributors in the UK and internationally.

This clearly focused strategy is shifting the balance of earnings towards digital and IP, driving a higher quality of earnings and is therefore key to generating sustainable value for our shareholders.

Since 2018, we have successfully rebalanced our business, investing in content and selling non-core assets, and exceeded our target to generate more than 50% of our operating profit from Digital and Studios by the end of 2023. Looking forward, we will continue to focus on these core areas as the engine rooms of growth and value generation, with particular focus on profitable revenue growth and margin enhancement, across the UK and internationally. We will drive streaming growth and maximise total STV viewing, whilst maintaining advertising leadership and growing new revenues. These actions will be supported by a modern and simplified organisation structure, with a focus on efficiency and effectiveness.

STV's market position – strongly positioned for long-term sustainable growth

We have a strong market position:

- STV Studios is the largest production company in Scotland and a significant UK player, with bases in Glasgow, Belfast, Manchester, Cardiff, London and Brighton. Comprising 21 production labels, our scale makes us uniquely placed to take advantage of the growing investment in nations and regions production across the UK, and to be a 'go to' production company for UK broadcasters and global streamers alike.
- Our Broadcast USP is the consistent delivery of mass audiences to a high-quality TV schedule of network and Scottish content. The largest commercial TV channel in Scotland, STV reaches more than two in three Scottish adults every month (2.8m), attracting over three times the audience of its nearest commercial channel. This makes us – by some margin – the most effective medium for advertisers in Scotland.
- Fast-growing, free streaming service, STV Player, offers an extensive catalogue of high-quality content, including exclusive Scottish rights for ITVX premiere programmes and a wide range of exclusive Player content across the UK. Our streamer offering widens the demographics of our viewership and further enhances the reach for advertisers.

High margin digital business

Our streaming service, STV Player, is available on all major UK platforms. It is capturing the viewing shift from linear to digital, offering a rich mix of exclusive, original and acquired content.

We are now two years into a strategic partnership for content sharing and advertising sales with ITV, which creates incremental digital value for our business. The long-term agreement gives STV Player exclusive Scottish rights for an exciting range of ITVX original content and sees ITV's sales team sell our national VOD and simulcast advertising, allowing us to benefit from their scale and market leadership. VOD advertising revenues trade at a premium over their traditional linear equivalent. Our content acquisition is a careful blend of licence and revenue share, allowing us to minimise risk and upfront payments.

Studios business increasing in scale

Our Studios business is strongly positioned to take advantage of the continuing demand for quality content in a UK production market worth more than £3.6bn*, as well as growing international opportunities. The STV Studios portfolio is comprised of 21 production labels who are making shows across all genres for a wide range of networks and streamers. STV Studios now has an expanded presence across the UK, strengthening our ability to take advantage of the continuing growth of production in the nations and regions. We have a growing library of content which we sell in secondary markets at a higher margin than that associated with the original broadcast commission, and have a significantly increased international presence achieved via global streaming commissions and format sales. Alongside building development pipelines and winning commissions, STV Studios continues to transform its financial performance, building momentum and a business of increasing scale.

* Pact Census 2024.

Capacity to invest as a result of strong cash generation

We have recently refinanced our Revolving Credit Facility, extending its maturity to at least March 2028 (with two one-year extensions available), and putting in place a core facility of £70m with an accordion facility of £20m, as well as new flexibility for managing cash flow requirements associated with programme production. At the end of the year our net debt excluding non-recourse production financing was £28.8m, demonstrating significant liquidity headroom and scope to continue to invest in the business and make continued distributions to shareholders.

The pension deficit is well managed with the 2023 triennial valuation holding the recovery plan period at October 2030 and delivering a slight reduction in core cash contributions over the period. The contingent cash mechanism previously in place has been paused until at least 2028.

Operating cash conversion in 2024 was 134% (2023: 169%). We believe this good cash generation will continue and will enable us to fully execute our investment programme.

Operational progress

We have a strong track record of delivering against our strategic objectives, a key element of which has been driving efficiencies across our operations. This can be seen in recent changes to our real estate; our approach to deals on digital content; our low-risk strategy of taking minority stakes in production companies which we consolidate in success within our Studios business; and astute cost control across the business. This approach has delivered cost savings of c.£2.5m in 2023 and £1.9m in 2024. This focus on cost management will remain a key element of our management of the business going forward.

Our focus on sustainability continues with progress on our STV Zero strategy, setting down our commitment to reduce our environmental impact and promote climate action in an accessible way to our viewers. We have ensured all programmes produced at STV now meet industry standards for carbon neutrality and continue to set intermediate milestones on the road to becoming a net zero carbon business. We are proud members of Project albert and a co-signatory to their Climate Content Pledge.

We are making good progress on diversity across the organisation. We set ourselves specific targets for representation from minority groups and full details of how this is going and our plans for 2025 and beyond can be found in the ESG report.

Shareholder returns

We recognise the importance of a regular, progressive dividend. Our approach to setting dividends is to balance the needs of the business (for reinvestment), with our defined benefit pension scheme obligations, and requirements of other stakeholders. In setting the level of dividend proposed we consider the proportion of free cash flow post pensions that it represents. We are committed to maintaining a balance between shareholder return and investment in our business to continue to deliver the growth strategy.

Core values

Our values are central to everything we do and define how we work to support our colleagues and deliver for our audiences, advertisers, partners, and communities. We're committed to business integrity and professionalism across all our activities.

Whether we're making, sharing, watching or celebrating it, we're passionate about content. Along with our people, compelling content is at the heart of STV. We're locally focused and proud of our Scottish roots, but our international ambition knows no bounds.

We're commercially driven, and we work hard to innovate, create and get deals done. But always with respect, and it's important that STV is a fun place to work.

We use the power of TV to make a difference. Whether that's via our STV Children's Appeal, our advertising Inclusion Fund or our sustainability programming – we support and connect with our partners, audiences and communities, and we believe we can make a difference.

Our clearly focused strategy is shifting the balance of earnings towards digital and IP.

Our business model

Our strategic vision is for STV to be synonymous with digital streaming and content ownership. We will achieve this by growing our Digital and Studios divisions to take advantage of the accelerating market in global video, whilst maximising the value of our linear Broadcast channel.

Our business model sees us combine our strategic assets across three interconnected business divisions to create sustainable, long-term value for all our stakeholders.

Our strategic assets

We want to deliver high quality outcomes for all our stakeholders, and to achieve that we rely on a number of key strategic assets.

Our people
People are at the heart of everything we do at STV. Their creativity, commitment, skills, passion and diversity are key to our success.

Our brand
STV is a trusted brand that plays an important role in creating value for its stakeholders: as a trusted news and current affairs partner with a high-quality source of affordable entertainment; supporting its communities through the STV Children's Appeal; and helping to grow Scotland's creative sector.

Our platforms
We operate the leading marketing platform in Scotland (STV, channel 3) and broadcaster Video on Demand platform, STV Player. These combine to give us unique scale and reach across all demographics, enabling us to offer bespoke competitive commercial deals to advertisers and agencies.

Our location
We run Scotland's largest production business, which is also a meaningful player in the UK production sector. With bases across Scotland, England, Wales and Northern Ireland, we are uniquely placed to take advantage of broadcasters' increased commitments to nations and regions production in the UK, as well as to win commissions from international buyers.

Our intellectual property
We own, or have access to, the rights of a diverse portfolio of programmes that are popular across the UK and internationally.

Our relationships
We have strong relationships with our viewers, advertisers, commissioners and communities, helping to deliver value and boost the economy.

Financial capital
We have strong financial discipline and significant liquidity and covenant headroom that provide us with the capital to invest in medium to long-term growth initiatives, as well as continuing to meet our pension obligations and make distributions to shareholders.

What we do

We operate an increasingly diverse business, generating value from four principle revenue streams:

1 Advertising revenue

We offer bespoke advertising and sponsorship solutions on our linear television channel, STV, and addressable Video on Demand (VOD) advertising through Planet V on our UK-wide streaming service, STV Player.

2 Commercial partnerships

We work with multiple TV platforms under a series of long-term partnerships, as well as with advertisers to provide a 'one stop shop' for advertising services, extending beyond the sale of advertising to creative design, post campaign analysis and related activities.

3 Programme production and distribution

We produce original content for broadcasters and platform owners in the UK and internationally from our production bases across the UK. We also own the rights to a library of content that we sell and licence to buyers around the world.

4 Direct to customer

We directly monetise audiences through on-air competitions and a paid-for VOD service, STV Player+, which provides the option to stream our content without adverts.

Supported by
- Creative and inclusive culture that values honesty, transparency and fairness
- Effective risk management and internal control frameworks
- Strong principles of corporate governance
- STV Zero, our sustainability strategy embedded into our business practices
- Organisation structure built to enable accountability and autonomy
- Vibrant internal communications programme to keep our people motivated and aligned on key strategic goals
- Frequent, transparent and meaningful engagement with external stakeholders

Delivering value for our stakeholders

We respond to the changing needs of all our stakeholders and create value for them through efficient delivery of our business operations.

Colleagues
Developing a supportive, open, inclusive, creative and collaborative culture, prioritising the wellbeing (mind, body, lifestyle) of our people and providing training, development and mentoring for our people.

Customers
Transmission of a high-quality TV schedule delivering large peak time **audiences** in Scotland, including exclusive premieres and other content, which is also available to watch on demand via STV Player.

Our unique scale and reach, boosted by the STV Growth Fund (incorporating the Green Fund and Inclusion Fund), is aimed at attracting new **advertisers** to TV and delivering brand recognition and direct action from consumers.

Suppliers
Building a range of successful, long-term relationships with platforms, partners, fellow broadcasters, distributors and suppliers, through which they share in our success.

Shareholders
Accelerating the growth of Digital and Studios to rebalance the Group towards digital streaming and IP-ownership to deliver sustainable growth through a higher quality of earnings, and maintain a progressive dividend.

Community and environment
Providing trusted news, facts and information through a comprehensive local news and current affairs service across Scotland; improving on and off screen diversity to reflect modern Scotland; raising much needed funds for families and young people in poverty in Scotland through the STV Children's Appeal; driving the local economy through job creation; supporting Scottish business through the Growth Fund (making advertising affordable); and championing climate action through STV Zero, our sustainability strategy.

Government and regulators
STV renewed its Channel 3 licences for the north and central regions of Scotland in March, effective for ten years from January 2025. STV delivers on its public service obligations and is working with stakeholders to create a sustainable future model for public service media.

Studios

51 new commissions or recommissions

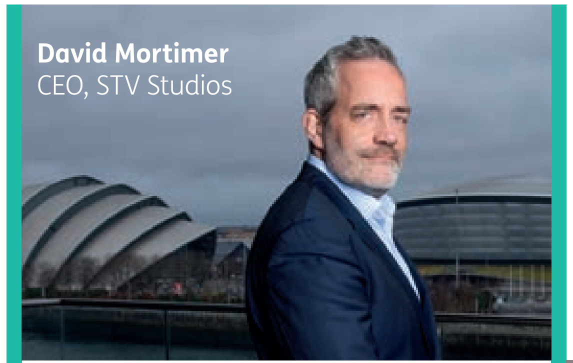
37 returning series

403 hours of TV produced

Top 10 UK indie

£6.1m adjusted operating profit

2024 was a good year for our Studios division. We delivered creative and commercial momentum, with our family of production labels winning numerous commissions both in the UK and internationally. The business has scaled rapidly and profitably over the last few years and this growth was further boosted by the acquisition of Greenbird Media in July 2023 and the move to majority stake in Two Cities Television in January 2024.



David Mortimer
CEO, STV Studios

STV Studios moves ever closer to its objective of becoming the UK's number 1 nations and regions producer – currently holding the number 2 spot.

Our strategy of acquiring stakes in high potential production companies continues to deliver for the business. In H1, STV Studios increased its stake in Northern Ireland based drama producers, Two Cities Television (moving to majority), and unscripted specialists, Tuesday's Child and Crackit TV (the latter two already majority holdings). In August, we increased our share in Glasgow-based Hello Halo Productions to a majority (51%) holding, due to their strong track record and continued success in children's, factual and natural history programming. We also increased our stake in Rumpus Media, who are responsible for shows such as *Late Night Lycett*, *Out of Order* and *The Misadventures of Romesh Ranganathan*, to a majority holding.

The continuing weakness in the advertising market in 2024 had a negative knock-on effect on the programme commissioning market. However, our production labels have successfully delivered a combination of exciting original format commissions alongside important recommissions of existing series for broadcasters and global streamers, continuing our growth momentum across the year. At the end of 2024, our forward order book was strong despite the challenges in the commissioning market at £76m, with a healthy development pipeline across the STV Studios labels.

High end drama

Early in 2024, we confirmed a number of important drama commissions, which will contribute significantly to our revenues through to 2026. STV Studios Drama won its first commission for global streamer Netflix, *The Witness* – a three-part series based on the memoir and experiences of Alex Hanscome, whose mother Rachel Nickell was murdered on Wimbledon Common.

Two Cities won a third and fourth series of their critically acclaimed police drama, *Blue Lights*, from BBC One. Series 2 aired in H1 2024 and delivered an audience 35% above the slot average on BBC One. Two Cities also produced Sky original drama, *Amadeus*, with Will Sharpe (*White Lotus*), Paul Bettany (*A Very British Scandal*) and Gabrielle Creevy (*Black Doves*) in 2024, for delivery in 2025. These high-end dramas, which were filmed back to back in 2024, perfectly exemplify the range, flexibility

Get Set Galactic
Hello Halo for CBeebies

The Misadventures of Romesh Ranganathan
Rumpus Media for BBC Two

Criminal Record
Tod Productions and STV Studios for Apple TV+

and expertise of Two Cities, who are equally as skilled at producing a gritty police drama on the streets of contemporary Belfast, as they are a stunning period piece in central Europe.

In August, we announced that critically acclaimed crime thriller, *Criminal Record*, a co-production between Tod Productions and STV Studios and starring Peter Capaldi and Cush Jumbo, has been recommissioned by Apple TV+ for a second series following the global success of series 1, which launched in January 2024. Filming is currently in production for delivery in 2025.

Returning Unscripted formats

Returning series provide increased certainty around future income and enable us to provide more reliable employment and training opportunities for the freelance community. STV Studios had multiple returning series in production in 2024 across Unscripted and Entertainment, including:

- A 40-episode commission from Warner Bros. Discovery UK & Ireland to produce further series of *The Yorkshire Auction House*, *Celebrity Yorkshire Auction House* and spin-off show, *The Derbyshire Auction House*, for the Really channel. *The Yorkshire Auction House* remains Really's most-watched programme.
- A third series of *The Travelling Auctioneers* for the BBC; a 29th series of *Antiques Road Trip* and a 13th series of *Celebrity Antiques Road Trip* also for the BBC.
- Quiz shows *Bridge of Lies* and *Celebrity Bridge of Lies* both recommissioned for BBC One.
- Tuesday's Child's *The Fortune Hotel* was swiftly re-commissioned by ITV in July following a successful launch in H1. They also delivered a new series of international success, *The Hit List*, for BBC One.
- Owl Power was commissioned to deliver an 8th series of the award-winning *Gone Fishing* for BBC Two and iPlayer, starring Bob Mortimer and Paul Whitehouse.
- Hello Mary won a second series of *The Royals: A History of Scandals* for More 4.
- Brighton and Manchester based Crackit TV won a 7th series of *Casualty 24/7* and a fourth series of *A&E After Dark* for Channel 5.
- Flicker Productions secured a second series of *Katie Piper Jailhouse Mums* for UKTV's entertainment channel, W.
- STV Studios Factual are producing a second series of legal documentary, *The Firm*, for BBC Scotland and iPlayer.
- Rockerdale Studios are producing a series of *The Assembly* for ITV following a broadcast pilot for BBC airing in 2024.
- Little Dooley will produce an investigative show for BBC Three and iPlayer, *Stacey Dooley: Shoplifting*. Stacey was awarded the prestigious Grierson Trustee Award in October this year.

Returning series provide increased certainty around future income.

The Travelling Auctioneers
STV Studios Factual for BBC One

Award winning, critically acclaimed productions

Many of the Group's productions have been critically acclaimed and recognised in the most prestigious of award ceremonies throughout the year. We're proud to have won the following in 2024:

- *Extraordinary Escapes with Sandi Toksvig* – Best Features, BAFTA Scotland Awards
- *Kate Garraway: Derek's Story* – Authored Documentary, National Television Awards
- *Blue Lights* – Best Drama, RTS Northern Ireland Awards
- Richard Dormer (*Blue Lights*) – Best Supporting Actor, IFTA Film & Drama Awards
- *The Underdog: Josh Must Win* – Best Reality Format, C21 International Format Awards
- Joe Lycett (*Late Night Lycett*) – Best Entertainment Performance, BAFTA TV Awards
- *Ellie Simmonds: Finding My Secret Family* – Best Single Documentary, BAFTA TV Awards
- *The Fortune Hotel* – Best New Show, National Reality Television Awards

A number of our shows have also received glowing reviews from the world's press:

Criminal Record

"We need an award for best joint performance and we need it now, for these two and their sublime turns in a clever, timely corrupt cop thriller."
The Guardian

"A brilliantly twisted crime drama with race and legacy at the centre."
Variety

Blue Lights

"This Belfast-based police drama appears to be getting better with age."
Broadcast

The Underdog: Josh Must Win

"Hands down our favourite new reality format. Genius."
Heat

"Inventive and original."
Mail on Sunday

The Fortune Hotel

"A fiendishly addictive mix of The Traitors and White Lotus."
The Guardian

The Fortune Hotel
Tuesday's Child for ITV

Late Night Lycett
Rumpus Media for Channel 4

The Underdog: Josh Must Win
Primal Media for Channel 4

Operating review

International growth

STV Studios' headquarters are in Glasgow and our production labels are based across the nations and regions of the UK, in London, Cardiff, Belfast, Brighton and Manchester. We're committed to creating strong, healthy production centres in the nations and regions – but what's equally important to us is producing innovative formats that have global appeal.

Over the past two years, we have developed good relationships with the global streamers such as Apple TV+ and Netflix. We're very proud to have this year won a second series of *Criminal Record* for Apple TV+ with co-producers, Tod Productions, and have renewed our exclusive co-development and co-production agreement with them as a result. Drama, *The Witness*, will be delivered to global streamer Netflix, in 2025.

Our labels are also liaising with media groups across the world to bring our formats to new audiences. To name a few – Tuesday's Child's hit series, *LEGO Masters* airs in multiple territories and once again secured a Christmas Special in the US, as well as a spin-off series launching in Europe. *Bridge of Lies* has gone Stateside in our co-production with Game Show Network, *Beat the Bridge*, and option deals have been signed for the title in various territories. A further series of Tuesday's Child's quiz show, *The Hit List* has been produced in Spain.

Through 2025, we will continue to work closely with distributors, broadcasters and streamers to ensure that the STV Studios family of production companies continues down this lucrative international road, bringing in important revenues for the Group and further enhancing our reputation globally.

4,500
hours of programming in our distribution portfolio

The Hit List
Tuesday's Child
for BBC One

Original formats

In a soft commissioning market, where new format wins have been harder to secure across the industry, we were pleased to announce original commissions across the Studios family.

Brighton-based Hello Mary won a two-part reality special for E4, *My Big Fat Geordie Wedding* which aired in the autumn. Glasgow label, Hello Halo, was commissioned by Channel 4 to produce a brand new high stakes knitting competition, *The Game of Wool*. Brighton and Manchester-based Crackit TV announced a three-part documentary series for Channel 5, *Prime Suspect: Hunting the Predators*; as well as a 10 x 60-minute format for Channel 4, *Crime Scene Cleaners*. And in scripted, STV Studios drama secured *The Witness*, created by Rob Williams, for Netflix.

The commissioning market has continued to be challenging into 2025 but our labels have secured some early wins. BBC Three and BBC Scotland have commissioned STV Studios Factual to produce a major three-part true crime series that will explore the shocking case of a British 'catfish' in *The Catfish Next Door* (w/t); *The Travelling Auctioneers* has been commissioned for a fourth series; and the BBC confirmed a further two series of *Antiques Road Trip* (30 and 31).

21
production labels

Global distribution

Tape sales of our extensive programme catalogue across the world are a reliable and valuable income stream for the business. With a family of 21 strong production labels, we now have 4,500 hours of programming in our distribution portfolio. We deliberately remain distributor neutral, inviting competitive tenders for newly commissioned programmes, enabling us to select the best sales partner for each new title.

LEGO Masters from Tuesday's Child continues to travel the world with exciting new spin off *Out of The Box* coming to the Netherlands, Finland and Poland. Following the success of *The Hit List* for TV Canaria in Spain, Topanga Crea have just produced a further 13-episode series for regional broadcaster TV Galicia.

Antiques Road Trip and its *Celebrity* version continues to sell well worldwide to territories such as New Zealand and the US. Format options have now been agreed in France and Italy and an all-new dedicated UK FAST channel is launching via Pluto TV.

In April, STV Studios Entertainment signed a major deal with Sony's Game Show Network for a US version of *Bridge of Lies*, which saw us co-produce 100 episodes in Los Angeles. Also in this genre, STV Studios and NBC Universal signed a development deal to adapt Primal Media's E4 reality format, *Josh Must Win*, entitled *The Underdog*.

Our rich archive material continues to be a source of international income, including *Celebrity Catchphrase*; prison drama, *Screw*; *Elizabeth is Missing*, starring International Emmy winner, Glenda Jackson; crime titles, *Taggart*, *Rebus* and *The Victim*; and classic medical drama, *Dr Finlay's Casebook*.

Digital

2m active registered users, up 11% YOY

Viewing hours up 8%*

Average monthly users holding strong at 1m

STV Player+ registrations up 36%

STV Player's strong content offering makes it a digital destination for viewers both in Scotland and across the UK. A catalogue of high-quality network shows, original drama box sets, attractive acquisitions from across the world, and popular archive material from our extensive video library, ensures we provide a rich and varied selection of on-demand shows.

* on STV owned and operated platforms

Richard Williams
Managing Director

We have built strong connections with our audience through our content alongside a continuously improving user experience and wide availability across all major platforms.

Continued growth

STV Player continues its positive growth trajectory, with key events like the Euros delivering record streaming numbers to the platform, and new titles driving audiences. In 2024, we expanded distribution on four new live platforms further supporting the migration of viewers from linear to digital and ensuring mass availability of our service. We saw a significant boost in live viewing at 19.5m hours, up 18% compared with 2023. Total consumption, or viewing hours, is tracking marginally down 3% year on year due to changes in our content mix, in particular fewer exclusive drama box sets provided through our agreement with ITV. Monetisable consumption grew 8% on STV owned and operated platforms.

Total active registered users – individuals who have signed up to the service, provided their details and viewed content – were up 240k to 2m at the end of the year, an increase of 13% on December 2023. Registrations to our Player+ subscription service have increased by 36% year on year and now sit at 22,000, demonstrating good progress towards our 2026 target of 50,000.

Top performing titles

Sport, high-end drama box sets and soaps dominate the top ten positions in the most watched titles of 2024, confirming the popularity of these shows and the importance of their profile on our digital platform.

The hotly anticipated UEFA Euro 2024 tournament delivered record breaking streaming numbers for the business. The tournament was STV Player's most-watched sporting event ever, up 61% compared with Euro 2020, and delivering 2.3m total viewing hours across the tournament. The semi-final between the Netherlands and England broke streaming records for a single match, generating 617k streams across the game. The Euros also delivered a new record month for live viewing in June 2024, at 2.8m hours, beating the previous high of 2.76m hours during the FIFA World Cup in 2022.

Mr Bates vs The Post Office
STV and STV Player

Secret Bridesmaids' Business
STV Player

© Keshet International

After the Flood
STV and STV Player

Operating review

Other key highlights from the network schedule, delivering more than 1m hours of online viewing each, include premium network dramas *Mr Bates vs The Post Office*, the story of one of the greatest miscarriages of justice in British legal history, crime drama, *After The Flood*, flight thriller, *Red Eye*, and series two of high octane series, *Trigger Point*, which focuses on the work of a bomb disposal team.

The latest series of entertainment juggernaut *I'm A Celebrity... Get Me Out Of Here!*, was our biggest yet on Player, delivering almost 2m hours of online viewing. The show was streamed 4.8m times including 1.5m live streams, the latter up 40% year on year, suggesting this remains appointment to view television for many on both linear and digital.

Our digital team secures strategic acquisitions to appeal to our existing viewership and to encourage new viewers to STV Player. Testament to the success of this careful and canny strategy, this third-party content comprised 36% of Video on Demand hours in 2024, with three of these titles featuring in the 2024 top ten. These include ground-breaking soap *Brookside*, Irish police procedural *Red Rock*, and US legal drama *Betrayal*, the latter part of a package of high-end scripted titles licensed from Disney.

The home of soaps

Continuing drama has always performed well for us and STV Player is fast becoming the home of soaps in the UK, with a mix of new and iconic UK and international titles.

Stalwarts *Coronation Street* and *Emmerdale* are often in the top 3 most watched shows and 2024 is no different, with 5.5m and 5.2m hours consumed respectively in 2024. We changed the strategy around these two shows in October, dropping episodes on the Player at 7am on the day of the linear TX (excluding any spoiler episodes), giving fans greater flexibility to view on demand. This has resulted in an increase to VOD viewing across *Coronation Street* and *Emmerdale* since this date, with the final 10 weeks of the year significantly up (by 24% and 31% respectively) compared with the rest of the year.

Our strategic acquisition of legendary 40+ year old soap *Brookside*, which we re-launched in February 2023, has proven to be a success for STV Player, with the title delivering 8.8m hours of viewing since launch to end February 2025. Over 500 episodes have now been published, with five episodes made available each week. This series has helped us to engage more viewers outside Scotland, many of whom have become loyal viewers of the soap and stay on the platform to explore our wider offering – an important aim of our acquisition strategy.

Building on this success, we acquired Irish police long-running drama, *Red Rock* – comprising 117 one-hour episodes – which in a few short months had proven to be a highly popular addition to our library with 2.8m hours viewed across September to December.

Brookside
STV Player

Emmerdale
STV and STV Player

STV Player is fast becoming the home of soaps in the UK, with a mix of new and iconic UK and international titles.

Top 10 VOD programmes by volume and episode

Position	Programme name	Total streams	Time spent (hours)
1	*Coronation Street*	11.0m	5.5m
2	*Emmerdale*	14.9m	5.2m
3	*Brookside*	10.8m	3.7m
4	*Red Rock*	5.6m	2.8m
5	*I'm A Celebrity... Get Me Out Of Here!*	3.3m	1.9m
6	*After the Flood*	2.1m	1.3m
7	*Red Eye*	2.0m	1.2m
8	*Trigger Point*	2.0m	1.2m
9	*Mr Bates vs The Post Office*	1.7m	1.1m
10	*Betrayal*	2.1m	1.0m

STV Player exclusive (acquired/archive)

Source: Adobe Analytics & FreeWheel, Jan-Dec 2024

Red Rock
STV Player

STV Player Presents

Our commercial Channel 3 broadcast channel, STV, has unrivalled reach in Scotland and we use this platform to promote key STV Player titles to our viewers in Scotland. Three years ago, we extended this promotion with the introduction of *STV Player Presents*. This initiative sees us broadcast the first episode of selected Player-only box sets in peak time on STV, introducing viewers to the show and then directing them to STV Player to watch the rest of the series – with the aim of both boosting awareness and traffic within our home territory.

We've used this strategy to great effect in 2024 for three of our Disney series and the Irish police soap, *Red Rock*.

US Disney dramas, *Betrayal*, *For the People* and *The Fix*, were all published to STV Player mid-January 2024 and each had its *Player Presents* transmission in August/September. Each title delivered good online consumption across the first three quarters of the year, with streams boosted by their linear debut and consumption post TX significantly increased when compared to the 14 days prior to TX: *For the People* saw a 400% uptick, 300% for *Betrayal* and the STV broadcast had the most impact on *The Fix*, with a significant consumption boost post TX of over 900%.

In September, we introduced police procedural *Red Rock* to STV Player. Set in the fictional Irish seaside town of Red Rock in Dublin, the series focuses on the day-to-day lives of officers at the busy local Garda station. *Red Rock* is the most consumed title to have a *Player Presents* in 2024. We aired the first episode in peak on STV on 11 October, four weeks after its Player launch, and saw an immediate impact on the number of streams. *Red Rock* has had the second-highest increase in daily streaming rate in the 14 days post TX (versus the prior 14 days) compared with other *Player Presents* titles. The show has captured the imagination of viewers, with the title amassing 5m streams by the end of 2024 and securing position 4 on the top 10 most watched programmes within just a few months. An estimated 27k users (as at end Feb 2025) have watched all 117 episodes available!

900%
boost to streams of *The Fix*

Operating review

Premier Sports
STV Player partnership

Premier Sports deal

We know our audience well, and we know they love sport. So, we were delighted to kick off 2025 with an exciting new partnership with sports provider, Premier Sports. The arrangement brings together all the edge-of-your-seat moments that unite live sports, TV drama and soaps in one place – on STV Player. Together we offer viewers an exclusive and competitively priced package of top-flight sports plus ad-free high-quality drama box sets, true crime documentaries, soaps and entertainment juggernauts, all via our streaming platform.

For the price of a standalone Premier Sports package, viewers who sign up via STV Player automatically become STV Player+ subscribers. They can then access the three live Premier Sports channels and pop-up streams via the streaming platform, plus thousands of hours of our UK and international TV shows ad-free and downloadable. The pricing of the combined services makes this deal the most competitive in the market.

Premier Sports is the holder of major Scottish football rights, including Scottish Premier League, Scottish Cup and Scottish League Cup, as well as the EPCR Championship, United Rugby Championship and TOP14. They also have a growing plethora of sports across the UK and internationally, such as La Liga, Coppa Italia, German Cup, Cop America, the NHL (National Hockey League), NASCAR (National Association of Stock Car Auto Racing) and MMA (Mixed Martial Arts). All of this will be available to subscribers via the STV Player platform.

"This deal offers viewers the perfect mix of ad-free TV shows and thrilling live sport all in the one place. STV Player is no stranger to major sports tournaments, with the likes of the UEFA Euros, FIFA World Cup and Rugby World Cup all delivering record-breaking audiences for our streaming service.

"This partnership with Premier Sports significantly elevates the sports offering via our platform whilst, at the same time, bringing our vast range of high-quality content to a raft of new viewers."

Richard Williams, MD Digital, STV Player

New shows in 2025

A fresh and constantly revived content offering is vital to retain existing and drive new viewership.

We have a strong network drama offering in 2025 with returning series such as the critically acclaimed cold-case drama, *Unforgotten* (series 6 – with all five previous series available to binge watch); a fifth series of hit crime drama, *The Bay*; and a second series of the Val McDermid adaptation, *Karen Pirie*. Original box sets include psychological thriller, *Playing Nice*, starring BAFTA-nominated James Norton; rural crime drama, *Out There*, with Martin Clunes; and the untold story of Ruth Ellis, who was the last woman to hang in the UK, in *A Cruel Love: The Ruth Ellis Story*.

The latest addition to our soap offering is New Zealand medical drama, *Shortland Street*, which launched on STV Player in February 2025. STV Player is the first ever UK streaming service to air episodes of the show in line with its New Zealand broadcast, with three new episodes landing on the platform every Monday. The longest-running drama in New Zealand, it began in 1992 and has broadcast continuously in its home country for over 8,000 episodes, becoming the most-streamed show on TVNZ's streaming service. Set in the fictitious Shortland Street Hospital, the show follows the turbulent professional and private lives of the diverse array of the patients and staff.

Working in partnership

We are now two years into our commercial partnership with ITV, who are our exclusive agent for all national VOD and simulcast advertising inventory on STV Player, allowing STV to benefit from ITV's scale in the UK market. We also joined ITV's addressable advertising platform, Planet V, allowing advertisers to access STV's inventory alongside ITV's combination of mass simultaneous reach and data-driven, targeted advertising. Positive from its inception, the level of targeted programmatic advertising on our service has increased from 40% to 90% in its first two years. This deal continues to deliver, with VOD advertising revenues up 9% year on year before commission.

Developing more revenue diversification opportunities through existing and new partnerships remains an important priority for our digital team.

In 2024, we worked with Hayu to provide STV Player+ subscribers with an exclusive Hayu subscription discount, and through our deal with Hisense we launched a competition offering viewers the chance to win coveted Euros tickets. STV continues to identify and deliver such partnerships, utilising its unparalleled Scottish footprint to offer value for both its users and commercial partners. We also introduced more payment options to support conversion to Player+ and have introduced in-app purchase options on Amazon, Fire TV, Android smartphones and tablets, and Google TVs, to provide more paths to upgrade.

In Q1 2025, we announced an exciting new partnership with Premier Sports. By joining forces, we can offer viewers an exclusive and competitively priced package of Scottish, UK and international sports plus ad-free access to the full STV Player programme library, making this a highly competitive deal driving viewers directly to our platform.

Enhanced experience

STV Player is continuously upgraded and improved to optimise the user experience and extend reach. In 2024, we:

- Enhanced personalisation and recommendations.
- Introduced the 'Browse' function before sign-in on Connected TVs, allowing new users to browse the app before creating an account.
- Improved accessibility: the Audio Described and Visually Signed versions of a show are now available in the standard programme information and during playback, enabling users to switch to these as easily as they can to subtitles.
- Introduced 'Watch Live' functionality to our Sky Glass, Sky Q, Virgin Media and YouView apps in IP-only (20% of homes in Scotland) and other connected homes.
- Upgraded our CRM systems to increase consumption, retention, conversion to STV Player+ and returning usage. We also introduced in-app notifications on iOS and Android to drive customer engagement.
- Updated the Connected TV user-experience, introducing the ability to create a playlist of favourite programmes.
- Launched STV Player on Freely in Q2 2024.

Shortland Street
STV Player

Playing Nice
STV and STV Player

Broadcast

STV reaches 2.8m viewers each month

STV has a higher monthly reach than all major streamers

STV delivered 97% of the top 500 commercial audiences across 2024

STV is Scotland's commercial Public Service Broadcaster (PSB) and we're proud to hold the Channel 3 licences for the north and central regions of the country, across which we deliver a rich and varied schedule of network and regional programming.

Bobby Hain
Managing Director

STV is the dominant commercial channel in Scotland, with 18 of the top 20 shows across commercial channels airing on STV. For all viewing via a TV set, STV also has a higher average audience across the day than Netflix, Prime, Disney+, Apple TV or YouTube in Scotland. This success is largely down to the high-quality offering across all genres and a strong connection with our viewers.

Whilst all broadcasters are seeing a migration of viewers from linear to on-demand streaming services, traditional broadcasters are still attracting significant audiences to their programming. STV viewers watch the channel for an average of 1 hour 42 minutes per day (1 hour 47 minutes in 2023), longer than any other PSB in Scotland and higher than the UK average. 'Event' television – shows that bring the nation together – and valued public service broadcasting are key to this, and there are strong examples of this throughout 2024.

A strong schedule

In 2024, STV aired the best-watched quiz show (*The 1% Club*), drama (*Mr Bates vs The Post Office*), and soap (*Coronation Street*) across all channels in Scotland.

UEFA Euro 2024 was a jewel in the crown of our schedule, with the opening match between Germany and Scotland giving the channel its best watched programme in 2024, peaking at 1.38m viewers. The overall reach of the tournament on STV was 3.1m, with a 48% viewing share across our matches, tracking 3 share points higher than the ITV network. The tournament also helped drive audience growth across harder-to-reach commercial audiences with ABC1 men and ABC1 U45's showing growth of +18% and +9% respectively (H1 2024 v H1 2023).

STV is home to high quality peak time drama series, many of which dominate the top ten shows of the year and attracted some of our biggest audiences. Four-part series *Mr Bates vs the Post Office* was STV's biggest new drama since 2021 (*The Pembrokeshire Murders*) and indeed the biggest drama launch across all channels and streamers, delivering an average audience of 869k, making it the most watched drama across all channels (including pre-TX viewing, linear launch and 28 day catch up) in Scotland in 2024. It had a considerable societal impact, bringing a story of national interest to the attention of millions and effecting change

The Chase
STV and STV Player

What's on Scotland
STV and STV Player

Until I Kill You
STV and STV Player

Operating review

at a government level, further emphasising the importance and potential of well-funded public service broadcasting.

The 13th series of crime drama *Vera* aired in 2024, with its loyal audience winning the show the top 4 position for the year. Other top ten dramas include flight thriller *Red Eye*; crime series *After The Flood*; the second series of *Trigger Point*, featuring Vicky McClure as a bomb disposal expert; and *Until I Kill You*, a dramatisation based on the extraordinary story of Delia Balmer.

Entertainment juggernaut *I'm A Celebrity... Get Me Out Of Here!* launched in November, delivering our highest overnight audience of the year (excluding the Euros), with over half a million viewers (567k) turning in to watch the first episode live on the day of transmission. The series had an average Broadcast audience of 592k and 39% share, winning every 9pm time slot and ranking as STV's third most-watched programme of the year. Other entertainment shows making our top ten most watched shows of 2024 include returning series *The Masked Singer* and *Britain's Got Talent*.

STV's network programming is complemented by Scottish regional production across news, current affairs and factual content. Our returning weekly entertainment magazine show *What's On Scotland* updates viewers on what's hot on the cultural scene across the country in a peak-time Friday slot. The last series reached an audience of 1.1m with an average share of 18% and the show was the top 'magazine' title on TV in Scotland last year, finishing ahead of *Countryfile* and *The One Show*.

Top 10 performing linear programmes

Position	Programme name	Average audience
1	***UEFA Euros: Germany v Scotland***	889k
2	***Mr Bates vs The Post Office S1***	869k
3	***I'm A Celebrity... Get Me Out Of Here!***	592k
4	***Vera S13***	558k
5	***Red Eye S1***	535k
6	***After The Flood***	488k
7	***Trigger Point S2***	479k
8	***Until I Kill You***	479k
9	***The Masked Singer***	475k
10	***Britain's Got Talent***	459k

Source: Barb As-Broadcast/As-viewed, Jan-Dec 2024, individuals, 3+ mins continuous reach, 28 days consolidated 4-screens viewing, excl. repeats, specials, sport programme brands, and party political broadcasts, includes Pre_TX for Drama. Sports figures are full programme broadcast from top performing fixture.

I'm A Celebrity... Get Me Out Of Here!
STV and STV Player

UEFA Euro 2024
STV and STV Player

High quality news

STV's news and current affairs output is at the heart of our Public Service Media remit. Our flagship programme, *STV News at Six*, is the most-watched news programme in Scotland for the 6th year running, with an average audience of 324k and a 30% share.

We produce two editions of the programme, both of which air at 6pm each weeknight, and their success is down to our inclusive and engaging story-telling, the friendly professionalism of our presenters and the talent of our wider production and reporting teams, as well as the unique regional split of stories making each show highly relevant to our viewers. Looking ahead to 2025, we will make significant investment in technology and in our Glasgow and Aberdeen live studios, relaunching the programmes with an exciting new look in the first half of the year.

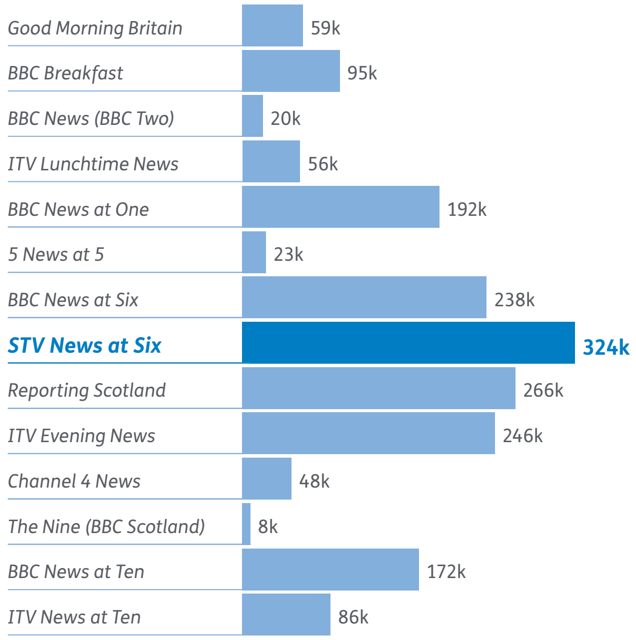
Our current affairs programme, *Scotland Tonight*, provides debate and analysis four times a week, including one evening in peak to make it more accessible. The programme attracts high calibre contributors and commentators as well as senior politicians from across the country to explore the hot topics of the day. The team also produces *Scotland Tonight* 'specials' featuring in-depth investigations into subjects ranging from the impact of the fast fashion industry on climate change to the issue of online child abuse.

In a year of political turbulence, STV was proud to air the first Scottish leaders' debate of the UK General Election campaign in June, hosted by our political editor, Colin Mackay. The 90-minute programme tracked 4 share points ahead of the network and reached 437k viewers. STV News also contributed towards the network overnight results programme produced by ITN for Channel 3.

STV's news team achieved industry recognition at the 2024 RTS Scotland Awards, with *STV News at Six* (North) winning the News Award, and reporter Ronnie Charters crowned Best Young Journalist.

With users increasingly requiring their news on demand, STV's digital news team is highly responsive with a strong digital presence. STV News is available on 13 online platforms including TikTok, Instagram, Facebook, WhatsApp, Apple News, YouTube and Google.

All major news programmes



Source: Barb Jan-Dec 2024 (Mon-Fri), full length programmes, individuals

STV News at Six is the most-watched news programme in Scotland for the 6th year running.

Outside broadcast
STV News at Six

Reporting from the Euros
STV News at Six

Operating review

Digital news

We've continued to transform STV News from a broadcast-focused newsroom to a multi-platform operation that serves the increasing needs of digital audiences while maintaining the core service offered to television viewers. This is an area of continued improvement and enhancement going forward.

Our goal is to have reach and relevance for all audiences in Scotland, regardless of distribution platform. The wide availability of trusted, impartial news is our central mission and an important bulwark against the rise of mis and disinformation. Almost all our content gathered primarily for broadcast is now routinely published on our digital channels. This is supplemented with a rich pipeline of live news, background material, analysis, and other topical content of interest to our audiences and produced by a single newsroom.

The newsroom now produces high quality output for 13 platforms with content tailored to audience needs. We've developed formats that allow journalists who were previously only seen on TV to become credible voices on platforms such as TikTok, Facebook and Instagram. All this output is informed by STV News values but tailored to individual distribution channels.

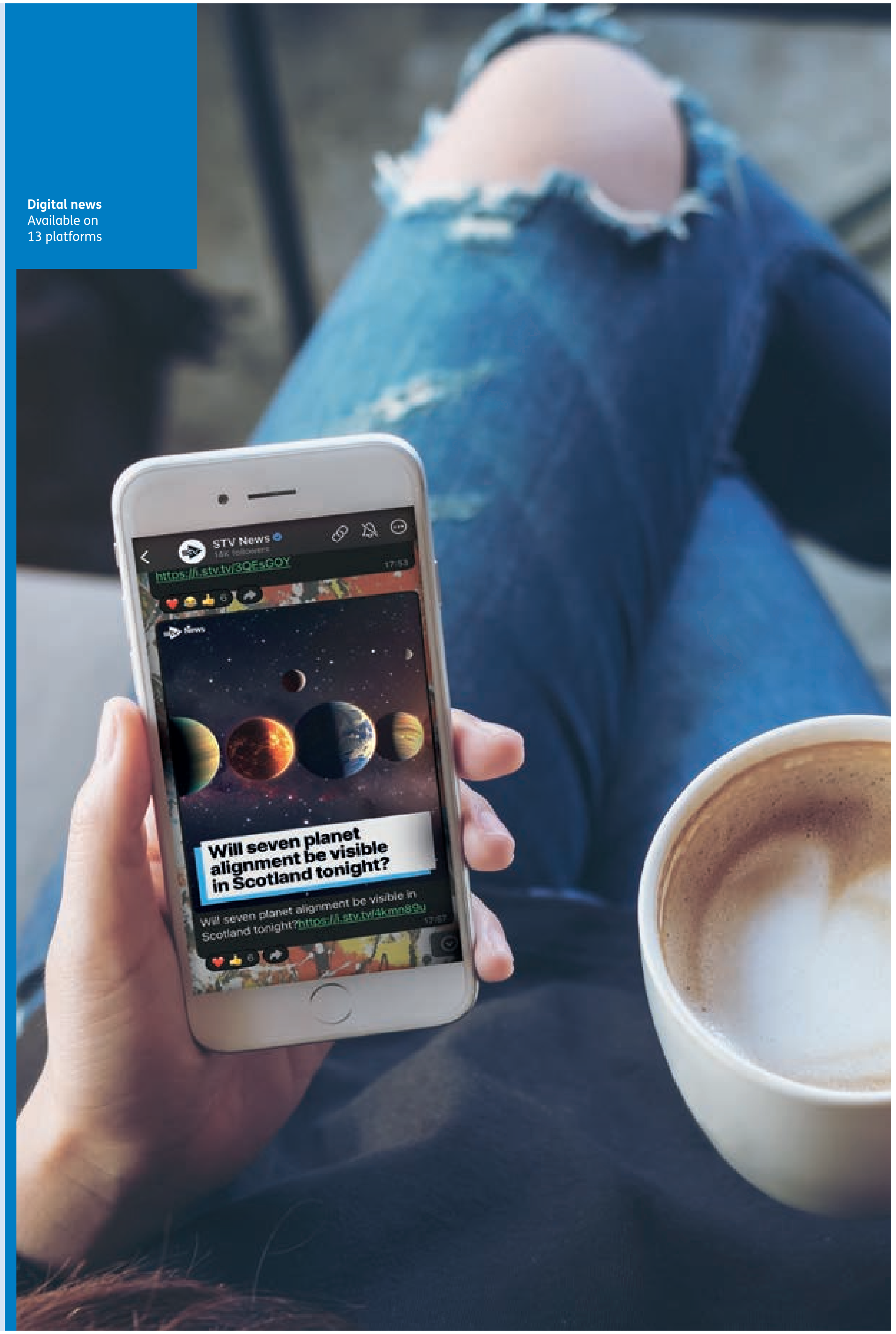
We average around 27.5m views each month across our digital distribution footprint and the percentage coming from video views is trending towards 50% – on equal footing to text-based content.

Key examples of breaking news being driven by digital in 2024 were the death of former First Minister Alex Salmond, which was quickly the most read story in October, amassing over 567k views across digital platforms; and the resignation of Humza Yousaf in April (851k views).

This also included 1.4m views for content related to the *Baby Reindeer* Netflix show, which has a strong Scottish connection but global appeal. High profile criminal cases, such as the 'Iceman' drug trafficking trial, delivered over 800k views and a reporter-led video covering a large-scale fire outside Glasgow produced over 500k views – the latter being an example of transitioning broadcast newsroom skills and techniques to digital platforms.

27m
average monthly views

Digital news
Available on
13 platforms



Research panel

Our Broadcast division is home to Scotland's biggest research panel ScotPulse which, with a panel of 44,000 individuals, is unrivalled in reach. It is commissioned to conduct research by a wide range of companies and agencies across the UK, driving additional income for the business. Recent customers include Tesco bank, the Scottish Government, Oxo and Tui.

In early 2025, the team launched a new website and on-air campaign to highlight its expanded business-to-business offering and drive new clients to the service.

Supporting communities

The STV Children's Appeal, which supports children and young people across Scotland, culminated another year of fundraising with a week-long channel takeover in November. A dedicated documentary *The Game Changers*, fronted by Jean Johannsson, highlighted the importance of role models in young people's lives whilst our telefundraiser fronted by Lorraine Kelly and Laura Boyd featured inspirational tales of fundraising from charities across Scotland. Elsewhere on the channel, school children from Glasgow 'hi-jacked' continuity announcements in their own unique style, and businesses were spotlighted for the work they've done in support of the Appeal.

Supporting businesses

STV has unrivalled reach across commercial television in Scotland and delivers mass impact, reaching 70% of Scots per month. The STV Growth Fund makes advertising affordable and accessible for SMEs in Scotland and means that local brands are seen in ad breaks with the same prominence as national brands. Since launch in 2018, the STV Growth Fund has provided over £35m funding to Scottish SMEs, with 54% of Growth Fund members in 2024 being existing members from 2023. We also continue to support sustainable and diverse businesses in their TV marketing journey via our Green and Inclusion Funds.

In 2024, we carried out impact research* via ScotPulse across consumers and our Growth Fund members. 74% of Scots think that STV helps showcase Scottish businesses more than other channels, and over half believe that STV actively contributes to the economy by championing Scottish businesses. Importantly, 97% of Growth Fund members would recommend TV advertising to another company, with 83% seeing an increase in footfall and 74% seeing an increase in revenue following their campaigns.

STV Growth Fund Member Quotes*

"I am not exaggerating when I say that TV advertising has been instrumental."
Michael Queen, Sales & Marketing Director, The Thistle Group

"The increase in sales and the brand awareness is why I am happy to tell other small businesses that TV is a medium that's worth pursuing."
Keith Laing, Owner, Glenmore Mobility

Regulatory updates

In 2024, we were pleased to renew STV's Channel 3 licences for a further 10 years to 2034, securing the provision of public service broadcasting in the north and central regions of Scotland.

The UK Government Media Act was also enshrined in law, guaranteeing prominence for STV Player on all major digital platforms, ensuring our PSB content is easy for viewers to find. Going forward, it is important that Ofcom, who are now consulting on the implementation of the Act through 2025, have the power to ensure this requirement is duly enforced.

New statutory restrictions on advertising and sponsorship for 'Less Healthy' food and drink products that are high in fat, salt or sugar (HFSS) will apply to broadcast and on demand programme services from 1 October 2025. Alongside a number of other media companies, we have concerns that the legislation will have a negative impact on investment and growth for our sector and are engaging with the UK Government on this as a matter of urgency.

74% of Scots think STV helps to showcase Scottish businesses more than other channels.

* Source: Fieldwork 1 Aug – 31 Oct 2024. 23 STV Growth Fund members. Interviews conducted via Teams Calls, In-Person Meetings, Phone Calls, Questionnaires.

Finance review

For the year ended 31 December 2024

Lindsay Dixon
Chief Financial & Operating Officer

The Group delivered a resilient financial performance in 2024, benefitting from a more balanced business across content production and advertising, and growing revenue and adjusted operating profit in a difficult macroeconomic environment.

Trading overview

Total revenue grew by 12% to £188.0m (2023: £168.4m), driven by growth in Studios which delivered £84.1 in the year, up from £66.8m in 2023, and benefitting from a number of drama productions across all scripted labels in the portfolio.

Total advertising revenue (TAR) for the year was £102.0m pre-commission (2023: £97.3m), an increase of 5% on the 2023 performance, with advertising revenues boosted by the Euros tournament in the summer but followed by a more difficult trading environment in H2 with the UK Government election and subsequent Autumn Budget causing uncertainty in the marketplace. Linear national and regional advertising revenues were both up 4% on the prior year.

Adjusted operating profit of £20.6m was up 3% on 2023, equivalent to an adjusted operating margin of 11.0% (2023: 11.9%). The reduction in margin was anticipated as we continued to grow our Studios business, and has also been impacted by inflationary cost pressures in common with many UK corporates during the year. On a statutory basis, operating profit was £13.2m (2023: £6.4m).

A key contributor to the Studios performance in the year was the performance of Two Cities Television Limited ('TCT'), in which we moved to a majority stake (51%) on 30 January 2024. From acquisition to the end of the year, TCT generated revenue of £31.5m and adjusted operating profit of £2.7m as the company delivered *Blue Lights* series 2 to the BBC and production activity was well underway on *Amadeus* for Sky. The Studios division made good progress with international commissions during the year: in addition to *Amadeus*, work on *The Witness* (Netflix) was predominantly completed and work kicked off on the second series of *Criminal Record* (AppleTV+). The overall divisional margin slightly decreased from 7.7% to 7.2% in FY24 given the balance towards scripted activity during the year and continued margin pressure as commissioners seek to secure quality programmes within tighter budgets. Notwithstanding the tough commissioning backdrop, the division is well placed as we head into FY25 with a secured forward orderbook of £76m at end February 2025.

Digital division sales (before commission) grew in 2024 to £21.8m (2023: £20.2m). 2024 was the first year in which commission became payable to ITV on national VOD revenues generated by them in their capacity as our exclusive sales agent, and on a post commission basis revenue generated was £19.5m. As expected, the introduction of this new cost had an impact on the division's profitability with adjusted operating profit declining from £9.9m to £8.4m. With national VOD commission now included in the FY24 results baseline, we expect to return to real growth in FY25. Post year-end we announced an exciting new partnership with Premier Sports. By joining forces, we are offering viewers an exclusive and competitively priced package of Scottish, UK and international sports plus ad-free access to the full STV Player programme library, making this a highly competitive deal driving viewers directly to our platform.

The Broadcast division generated an adjusted operating profit of £10.9m (2023: £9.8m), an increase of 12% year on year. This result was driven by the increase observed in the linear advertising market and close cost control. Cost savings were made in a number of areas including broadcast operations and post production.

At the start of the year, the Group announced a multi-year cost saving programme with an annual target run rate of £5m by the end of FY26, with an intermediate target of £1.5m in 2024. Permanent savings of £1.9m were realised during the year, offset by inflationary increases and with some reinvestment back into the business. In addition to the areas within Broadcast where savings were realised, the Studios team delivered the synergy target associated with the Greenbird acquisition and other savings were made across support teams within the business and in our property portfolio.

Corporate costs of £4.8m were recognised in the year (2023: £4.8m), remaining flat with savings offset by the impact of inflation.

Cash interest costs on the Group's borrowing facilities totalled £3.4m for the year, compared to £2.4m in 2023. This increase principally relates to the Group's higher average net debt in the year (£0.7m impact) with the balance driven by the higher average base rate in force. A total tax credit of £2.7m has been recognised in the year (2023: credit of £5.3m), principally driven by production tax credits receivable of £3.9m (2023: £7.7m). Profit for the year was £13.1m (2023: £5.3m), of which £2.3m was attributable to minority shareholders in certain subsidiary companies (2023: profit of £0.8m). Minority interests have increased in the year as a result of the move to majority stake in Two Cities and Hello Halo.

Adjusted earnings per share (EPS) at 29.0p was up 3% on the prior year, in line with adjusted operating profit. On a statutory basis EPS was 23.5p (2023: 9.7p).

Intangible assets and working capital balances have increased on the prior year as a result of the acquisitions made in the year. See note 14 for further details.

Cash flow and net debt

At the end of 2024, the Group had net debt under its revolving credit facility ('RCF') of £28.8m (2023: £29.0m) (see note 24). In addition, certain subsidiaries were party to separate production financing facilities, which are non-recourse to STV, in relation to specific programmes in production. Of the total production financing facilities available of £15.8m, amounts drawn at the end of the year were £9.9m. The amount drawn under similar facilities at the end of 2023 was £3.3m. Operating cash conversion was strong in the year at 134% (2023: 169%).

The Group's RCF that was in place throughout the year was due to mature in early March 2026 and so over Q4 2024 a refinancing process was undertaken with a new facility being agreed and taking effect in February 2025. The new facility is a £70m RCF with £20m accordion (uncommitted) with Santander and Barclays, which has a term of 3 years with two 1-year extension options available. The committed facility available to the Group is unchanged on the previous RCF, as are the key financial covenants of leverage (the ratio of net debt to EBITDA) and interest cover, which must be less than 3 times and more than 4 times respectively. Interest will be payable under the new facility at a flat margin over SONIA, regardless of the leverage of the Group.

At the end of the year, the Group's RCF-based leverage (i.e. excluding amounts drawn down under non-recourse production financing facilities) was 1.1 times. Under the definitions of the new RCF, total leverage (i.e. including production financing) was 1.5 times and interest cover was 8.5 times, with both metrics well within the covenant limits.

Results summary

	2024	2023
Statutory results		
Total revenue (£m)	**188.0**	168.4
Operating profit (£m)	**13.2**	6.4
Operating margin	**7%**	4%
Profit before tax (£m)	**10.4**	–
Profit for the year (£m)	**13.1**	5.3
Earnings per share (p)	**23.5**	9.7
Adjusted results[1]		
Advertising revenue (before commission) (£m)	**102.0**	97.3
Total revenue (£m)	**188.0**	168.4
Operating profit (£m)	**20.6**	20.1
Operating margin	**11%**	12%
Profit before tax (£m)	**17.1**	17.0
Earnings per share (p)	**29.0**	28.2

1 Refer to note 7 in the Notes to the financial statements.

Non-statutory measures

This Annual Report includes both statutory and non-statutory (or adjusted) performance measures, the latter intended to exclude significant, non-recurring items from the results for a period, and enable the users of the financial statements to compare performance across financial years on a like for like basis. The combination of these statutory and adjusted measures is useful to investors as it provides them with a basis for measuring our operational performance. The non-statutory measures should not be considered in isolation from, or as a substitute for, financial information in compliance with GAAP, and the non-statutory measures used in this Annual Report may not be directly comparable with similarly named amounts reported by other companies.

In calculating the adjusted measures of operating profit, profit before tax and EPS, the Group adjusts for (i) items that are unusual by virtue of their nature, size and/or infrequency and are considered to be one-off and not necessarily directly related to the underlying trading of the Group; (ii) IAS 19 non-cash finance costs in relation to legacy defined benefit pension schemes; (iii) High-End Television (HETV) tax credits; (iv) amortisation of acquisition intangible assets; (v) fair value movements and finance costs in relation to put options acquired in business combinations; and (vi) the tax charge or credit on each of the adjusting items. These items are summarised below with further information provided in note 7.

Finance review

For the year ended 31 December 2024

Adjusting operating items for the year totalled £7.4m (2023: £13.7m) and relate to the following items:

	2024 £m	2023 £m
Acquisition and integration costs	0.8	2.4
Restructuring costs	1.0	–
Amortisation of intangible assets	1.7	0.5
Material contract implementation costs	–	3.1
	3.5	6.0
Production tax credits	3.9	7.7
	7.4	13.7

Finance and other adjusting items for the year was a net credit of £0.7m (2023: £3.3m charge) and relate to the following items:

	2024 £m	2023 £m
Fair value adjustments relating to put options and acquisitions	(4.8)	–
IAS 19 net finance costs	2.4	2.8
Other finance costs	1.7	0.5
	(0.7)	3.3

A detailed description of each of these items can be found in note 7.

Pensions

The Group has two legacy defined benefit pension schemes, both of which are closed to new entrants and only one of which has a small number of active employees.

The latest triennial valuations for the schemes were due as at 31 December 2023, and we reached agreement with the Trustees in early October 2024. The combined funding deficit, having allowed for movements in the funding position to 30 June 2024, reduced to £61m on a pre-tax basis. This compares to the pre-tax deficit of £116m at the previous valuation, which allowed for movements in the funding position between the 31 December 2020 valuation date and 30 June 2021. The duration of the deficit recovery plans is unchanged from the previous valuation with an end date of 31 October 2030.

Aggregate monthly cash payments committed by the Group are slightly lower than under the previous agreement. The 2025 contributions will total £10.2m, with annual contributions then increasing at the rate of 2% per annum over the term of the recovery plans, in line with the previous agreement. The contingent cash contribution mechanism previously in place has been paused until at least 2028 with no further contingent payments required until then unless the Group and the trustees agree otherwise. The recovery plans are designed to enable the schemes to reach a fully funded position, using prudent assumptions about the future, by October 2030. The next triennial valuations will take place as at 31 December 2026.

From an accounting perspective, the IAS 19 accounting deficit across both schemes fell during the year to £48.3m at 31 December 2024 (2023: £54.8m). The decrease in the liability is primarily driven by an increase in discount rate due to an increase in corporate bond yields and reflecting the updated valuation results above.

Dividends

The Board is recommending a final dividend of 7.4p per share resulting in a total dividend of 11.3p for the year, in line with that paid in respect of 2023. If approved at the Annual General Meeting on 30 April 2025, the final cash dividend will be paid on 30 May 2025 to shareholders on the register as at 22 April 2025.

Lindsay Dixon
Chief Financial & Operating Officer

Risk management

Effective risk management is fundamental to STV's achievement of our strategic objectives, and we look to ensure our risk management framework is dynamic and flexible to match the evolving environment we operate.

The Board determines its appetite for risk across several key risk areas and determines the relative level of risk that the Group is prepared to accept in the pursuit of our strategic objectives. A risk management framework is in place which underpins our approach for the identification, assessment, and management of risks, and for their continual monitoring and review. This is formally documented in the form of a Group risk management policy, which also provides clarity for where the responsibility for risk management sits within our governance structures. This policy is shared with all colleagues at STV and is a key building block of the culture of risk management that has been embedded throughout the organisation.

Risk governance documentation was enhanced in the year through formalisation of a Group Tax Strategy which sets out the Group's approach to tax compliance and tax risk management. The tax strategy formalises the Group's risk management and governance arrangements in relation to tax and is supported by process notes identifying key financial controls for each principle tax workstream, dedicated tax risk registers and clearly defined roles and responsibilities for tax compliance across the Group. In accordance with Schedule 19 of the Finance Act 2016, the strategy also defines the Group's tolerance to tax risk, attitude towards tax planning and approach to engagement with HMRC.

Responsibility for risk

The key roles and responsibilities for risk management comprise three layers. Each role within the Group is well-defined with clear responsibilities and a transparent reporting structure. The first line of defence is comprised mainly of our divisional management teams and central function heads who are responsible for identifying and managing risk as part of their accountability for achieving strategic objectives. Taken together, they have the necessary knowledge, skills, information, and authority to operate the relevant policies and procedures of risk control and ensure compliance with Group policies and standards throughout their division/function. This is underpinned by an understanding of the Company, its objectives, the environment in which it operates, and the risks it faces.

Our second line of defence comprises the range of functions that oversee and/or specialise in compliance and management of risk, including Group Finance, IT, Compliance, Legal, and specialist teams in relation to information security (including GDPR) and regulatory compliance. These functions report directly to members of the Management Board which has overall responsibility for managing the Group to ensure it meets its strategic objectives. The second line of defence provides the policies, frameworks, tools, techniques and support to enable risk and compliance to be managed in the first line, conducts monitoring to assess how effectively it is being carried out and helps ensure consistency of definitions and measurement of risk.

The third line of defence comprises Internal Audit, the principal function providing independent assurance to the Group. Sitting outside the risk management processes of the first two lines of defence, its main roles are to ensure that the first two lines are operating effectively and advise on how they could be improved. The Internal Audit plan is set by the Audit & Risk Committee and provides an evaluation of the effectiveness of governance, risk management and internal control. A full description of the scope of Internal Audit in 2024 and engagement with the Audit & Risk Committee is given in the Report of the Audit & Risk Committee on pages 86 to 90. In addition to the work of Internal Audit, there are other independent third parties from which the Group seeks assurance in specialist areas, including carbon emissions reporting and energy contract negotiation.

The Audit & Risk Committee reviews the Company's internal control and risk management systems (including internal financial controls) annually, as delegated by the Board, and reports to the Board on how it has discharged its responsibilities. The Board undertakes an annual review of the Risk Appetite Statement, which is shared across the organisation and forms a key part of the risk management process.

Risk assessment process

STV's approach to risk management combines a top-down strategic view supported by a bottom-up operational risk assessment.

The strategic view, led by the Board, involves an assessment of the external environment in which the Group operates to evaluate both the current and emerging risks the Group faces in pursuit of its strategic objectives, and to reflect on any changes to those risks previously identified as principal risks. Through its annual agenda of activities, the Board undertakes a robust assessment of new and emerging risks, which includes the following: (i) detailed discussion with each of the divisional management teams as to the risks surrounding operational matters and achievement of longer-term goals and objectives; (ii) review and consideration of wider viewing, audience and technology trends beyond the Company's market sector, supported by insights from third parties; (iii) regular updates from the Company's pension advisers on evolving practice and regulation in relation to defined benefit pension schemes; (iv) regular legal and regulatory reports from in-house Legal and Compliance teams; and (v) engagement with brokers, the internal and external auditors, and other advisers as appropriate.

The bottom-up approach, led by the divisional and central function management teams, involves the identification, management, and monitoring of risks in their respective area of the business on a continual basis and is formally documented in a risk register. The Group operates individual risk registers for each of its operating divisions, the central functions/corporate matters, climate-related matters, information security (including data) and technology operations.

For each risk identified, standardised grading is used to support the measurement of impact and likelihood, which together provide a quantitative view of the gross risk. This scoring matrix, which considers risk by reference to both quantitative and qualitative attributes and the probability of occurrence, allows for comparability and consistency of risk measurement across the Group. Risks are then re-assessed based on the strength and effectiveness of existing mitigating controls and an appropriate net risk response is determined with reference to the Group's risk appetite. Each risk is assigned to a risk owner who is responsible for ensuring associated mitigating controls are operating effectively and for monitoring that the net risk is within the tolerance levels of the Board-agreed risk appetite, or there is a clear and agreed path to reduce net risk to that level.

Risk registers are live documents. Divisional registers are formally tabled for discussion at divisional board meetings at least quarterly, usually aligned with the financial re-forecast process. Central function risk registers are reviewed by the head of the associated central function at least quarterly.

Risk management

Risks deemed to be the most significant in the context of their potential to impact achievement of the Group's strategic goals are reflected in the Group risk register and reported to the Board.

The Group risk register is a combination of operational and emerging risks identified through the divisional and central function risk registers and new and emerging strategic risks identified by the Board through its ongoing evaluation of the external environment that the Group operates in.

The Audit & Risk Committee has delegated authority from the Board to review the effectiveness of the Group's risk management and internal control systems, which it does at least annually. It performs an annual assessment of the effectiveness of the risk management and internal control frameworks through review of the Group risk management policy and how it has been implemented during the year, and evaluation of reports from the internal and external auditors and reports to the Board on the outcome of the work performed.

Risk governance structure

Board

Overall responsibility for the Group's risk management and internal control frameworks, and strategic decision within the Group.

Risk management responsibilities:
- Sets strategic objectives
- Evaluates and monitors identified principal risks and uncertainties, including potential impact on achieving agreed strategic objectives
- Horizon scanning for emerging principal risks
- Determines risk management policy, including risk appetite

Audit & Risk Committee

Delegated responsibility from the Board to review the effectiveness of the Group's risk management and internal control frameworks.

Risk management responsibilities:
- Evaluates and monitors key risk , including potential impact on achieving agreed strategic objectives
- Advises the Board on principal risks and mitigations
- Sets internal audit plan to gain independent assurance over the effectiveness of mitigating controls over key risks
- Reviews internal audit reports and management responses to identified action points

Management Board

Overall responsibility for managing the Group to ensure it achieves its strategic objectives.

Risk management responsibilities:
- Reviews divisional and central function risk registers quarterly and documents the most significant risks in the Group risk register
- Considers whether there are any other risks that need to be captured in the risk registers
- Challenges risk scoring and effectiveness of controls and monitors compliance with risk appetite thresholds
- Bi-annual reporting on principal risks and related mitigations to the Audit & Risk Committee
- Regular reporting on implementation of action points raised by internal audit

1st line of defence
Divisional Board

Responsible for managing the businesses within the divisions to ensure divisional strategic objectives are achieved and there is compliance with Group policies and standards throughout their division.

Risk management responsibilities:
- Identifies risks and associated controls specific to division
- Quantifies gross and net risk scoring and allocates a risk owner for continuous monitoring
- Reviews operating effectiveness of mitigating controls

2nd line of defence
Central and specialist functions

Functions that oversee and/or specialise in compliance and management of risk, including Group Finance, IT, Compliance, Legal, and specialist teams in relation to information security (including GDPR) and regulatory compliance.

Risk management responsibilities:
- Identifies risks and associated controls relating to central functions, information security and technology, and compliance
- Quantifies gross and net risk scoring and allocates a risk owner for continuous monitoring
- Reviews operating effectiveness of mitigating controls

3rd line of defence
Internal audit

Provides independent assurance on risk areas set out in the internal audit plan, to assess operating effectiveness of mitigating controls and suggest remediation activities.

Risk appetite

Appetite for risk is considered by the Board across several key risk areas that are business critical and could materially impact upon the Group's ability to achieve its strategic goals if a disproportionate level of risk to expected reward is taken. The Group uses four categories in determining risk appetite based on a quantitative measurement of likelihood and impact.

Key

Averse
Avoidance of risk and uncertainty is a key organisational objective.

Cautious
Preference for options that have a low degree of inherent risk and may only have limited potential for reward.

Open
Willing to consider all options and choose the one that is most likely to result in success while also proving an acceptable level of reward.

Actively seeking
Eager to pursue options that provide the greatest level of reward, despite the higher level of inherent risk.

These are applied across the following key categories:

Risk and opportunities

Averse Cautious Open Actively seeking

Reputation
Strength of brand is vitally important in the markets that STV operates in. The Group places great importance on upholding its reputation and therefore has a low appetite for risk in engaging in any activity that could lead to undue adverse publicity or could lead to a loss of confidence by the Scottish and UK political establishments, regulatory bodies or by its shareholders and other stakeholders.

Legal and regulatory
The Group is a compliant organisation and will not tolerate breaches of regulations in pursuit of its objectives. Existing legal and compliance frameworks are rigorously respected and explicitly followed.

Information security and cyber
The Group has no tolerance for material cyber security incidents which impact our ability to operate as a business, damage our reputation or lead to financial penalties.

People and culture
The inability to recruit, develop and retain talent with the appropriate skills, knowledge and experience would compromise our ability to deliver our strategic plans. The Group is committed to building a diverse and inclusive culture and through its Open Access Charter, has a strategy in place to ensure it represents the communities it serves. It considers equality, diversity, dignity and respect to be of paramount importance, together with employee development and the health and safety of employees. It has no appetite for any deviation from its standards in these areas.

Returns and profitability
The Group aims to deliver strong growth through the strategic options it identifies, ensuring that these are for appropriate returns, with a focus on market median margins (as a minimum target), clear return on investment and good working capital management together with cash generation. Returns from all potential investments are compared to the Group's WACC rate to ensure they are incremental to the Group's cost of capital within a reasonable timeframe. While opportunities may be taken that result in some dilution to the operating margin in the short term, these would be expected to generate margin enhancing results within the 3 year plan period.

Liquidity
The Group is prepared to use leverage in pursuit of achieving its strategic objectives and will utilise the funds available to the Group from its revolving credit facility, subject to maintenance of significant headroom in the associated financial covenants and sufficient capacity to meet defined benefit pension obligations.

Strategic partnerships
The Group will actively pursue merger & acquisition, joint venture or other collaboration opportunities that are aligned with its strategic direction towards creating sustainable value, subject to meeting its investment criteria.

Technology and innovation
The Group will actively pursue opportunities to invest in its broadcast technology and development of its digital platform with a view to enhancing reliability and the viewer experience and maintaining relevance compared to other market participants.

Operational
The Group has a low appetite for taking risks that may lead to significant disruption of our operations. We seek to minimise the risks from unforeseen operational failures in our business but acknowledge that some are outwith our control.

Corporate sustainability
The Group considers the impact its operations have on the environment and actively pursues opportunities to reduce its carbon footprint to become a net zero carbon business. The Group has a low appetite to engage in any activities that could impact progress towards this strategic goal.

Risk management

Principal risks and uncertainties

As in any business, there are risks and uncertainties that could have an impact on the Group's operating results, financial condition, and prospects. The Group's risk management and assurance framework is designed to make this less likely by clearly identifying and seeking to mitigate key risks. The Board takes seriously its responsibility to ensure the systems and processes in place are robust, effective and take account of such risks, but acknowledges that they cannot eliminate all risks.

The risk management framework and underlying processes in operation throughout the year have been described in the Risk Management report on pages 33 to 35. These processes underpin the identification and assessment of principal risks as set down on the following pages.

The Directors confirm they have carried out a robust assessment of the emerging and principal risks facing the Group and that the risks identified have been fully evaluated and taken into account in preparing the budgets and forecasts which support going concern, the viability statement and impairment assessments. The principal risks and uncertainties set out below are those believed to have the greatest potential to impact our ability to achieve the Group's strategic objectives, or which have the greatest potential impact on the Group's solvency or liquidity.

Regulatory environment

Risk category: Legal and regulatory
Risk trend: No change
Link to strategy: Audience/Monetisation

Risk description and potential impact

STV's linear broadcast business is operated under Channel 3 licences that are regulated by Ofcom. The licences have been renewed during 2024 for a further 10 year period, starting on 1 January 2025. These licences contain conditions around contribution to public service broadcasting, programme production and compliance with Ofcom's codes. In the event of any serious or repeated breaches, Ofcom has powers to impose sanctions on licensees including, in the most extreme circumstances, financial penalties or revocation of licences. Separate from compliance, changes to policy and regulation or a failure by the UK government to regulate may have a negative impact on the future of our public service broadcast (PSB) licences, our business model and/or the cost of operations.

The 2024 Media Act, which received royal assent in May 2024 is the most significant legislation in the sector in over two decades. This Act modernises the regulatory landscape to reflect the importance of digital distribution alongside traditional broadcast. It includes the right to prominence, for PSB services including STV, for our VOD services on digital platforms and smart TVs. Commercial agreements for PSBs to secure carriage on these new services and devices will be subject to dispute resolution by Ofcom where terms cannot be agreed. PSBs will also be able to deliver some of their licence obligations by making programmes available online instead of/in addition to on TV, though this does not apply to news or regional programmes which will remain on linear broadcast. We have assessed the risk as no change on prior year as limited changes to legislation during the year, reducing likelihood of non-compliance.

How we manage it

As licensee, it is STV's responsibility to ensure that the terms of our licences are adhered to, and measures have been put in place internally to ensure this happens. There is a dedicated compliance function, and a compliance mentality has been embedded across all relevant areas of the business, with regular staff training undertaken. There is frequent contact with the regulator to ensure awareness and understanding of any updates or changes to the codes/rules and that appropriate changes to internal processes are implemented as required.

STV makes formal submissions to the regulator in response to all open consultations to ensure matters of the most significance to the Group are presented to policy makers. We also collaborate with other organisations in our industry, where appropriate and where individual objectives are aligned.

Governance and oversight

The Broadcast board meets monthly and is chaired by Bobby Hain, MD of Broadcast. It is attended by both Executive Directors, the Group Commercial Director, Legal Director, and HR and Communications Director, as well as representatives from News, Marketing and Finance. The regulatory landscape is a regular standing agenda item, with the licence renewal process currently discussed in detail at each meeting. Compliance reports are received by the Management Board at least twice a year, and the annual plan is approved by both the Information Security Group and the Management Board. In addition, the STV Board is provided with regular legal and regulatory updates as part of the CEO's report.

Market volatility and impact on revenue generation

Risk category: Returns and profitability
Risk trend: No change
Link to strategy: Content/Monetisation

Risk description and potential impact

STV's sales, expenses and operating results could vary from period to period as a result of a variety of factors, some of which are outside STV's control. These factors include general economic conditions; conditions specific to general advertising markets including the commercial television market; conditions specific to commissioning markets, both domestic and abroad; and the introduction of new services and products by STV or its competitors.

While inflation and interest rates continued to decrease relative to the high levels observed in the previous year, consumer confidence levels remained low with advertising and commissioning markets adversely impacted as a result. The Euro 2024 football tournament was a highlight of the year, representing the peak in terms of advertising revenues although the UK general election in early Summer combined with the lead-in to the first Labour budget at the end of October resulted in a more subdued end to the year.

We have continued to assess the risk trend as 'no change' as the uncertainty over the short-term advertising and commissioning markets persists.

How we manage it

STV's national linear and VOD advertising is sold by ITV, as agent, who are required to maximise revenue through 'best endeavours'. ITV provide a weekly performance report, and regular meetings are held between the senior commercial management from both companies to understand current forecasts and trends.

STV's regional Scottish advertising is sold by a separate, dedicated team who pursue a range of initiatives designed to ensure the effectiveness of our sell, driven by the STV Growth Fund. The strength of the relationships that the commercial teams have with their clients is crucial in selling advertising services, and in maintaining those sales levels during periods of uncertainty. We have an array of marketing and advertising opportunities across STV and STV Player to help existing and new businesses reach Scottish consumers and grow their business.

In January 2024, STV increased its investment in Two Cities Television to 51% following success achieved by the label in securing new high-end drama series. A majority stake was also taken in unscripted format creator, Hello Halo, in the second half of the year, further broadening our commissioning reach. In recent years, STV Studios has diversified its customer base to include international streamers whose business model isn't underpinned by advertising revenue. These developments serve to broaden the creative pipeline and customer base of STV Studios, making it more resilient in challenging times.

Governance and oversight

Weekly advertising revenue reports, by category, are prepared and monitored. There is a full discussion and challenge at each Broadcast and Digital board meeting when STV's Commercial Director provides a report on sales and the outlook for the market. Both the CEO and the CFO/COO report on the advertising market in their respective reports at each Board meeting.

In Studios, the commissioning status across all labels is reported on monthly by STV Studios Managing Director at each Studios board meeting and includes a presentation of the forward orderbook of confirmed commissions as well as discussion around progress of live productions, development slate activity and the status of any ongoing pitches.

Reliance on ITV

Risk category: Returns and profitability
Risk trend: No change
Link to strategy: Audience/Monetisation

Risk description and potential impact

The majority of STV's Channel 3 programming content is provided by the ITV Network. Therefore, its ability to attract and retain audiences is dependent on the quality, variety and diversity of programming available, which, in turn, impacts the ability of STV to attract regional advertisers. In addition, the performance of ITV as STV's national linear and VOD advertising sales agent is a significant factor that affects the financial performance of the Group.

The risk trend has been assessed to be the same year on year although we recognise that partnerships like the new arrangement with Premier Sports, announced post year end, should enable elements of our business to be less reliant on ITV in future years.

How we manage it

The ITV relationship is managed closely, with regular updates on programme and schedule developments being provided through STV's Head of Consumer Insights with STV's Commercial Director having responsibility for the sales relationship with ITV. Contracts are in place for all network functions performed by ITV with agreed consultation processes for any changes to arrangements.

Regular dialogue includes formal quarterly ITV Council meetings with minutes provided to Ofcom. Regarding ITV acting as the Group's national sales agent, there are regular meetings between the Commercial Directors of both businesses to discuss latest forecasts, booking trends and similar factors. In addition, there is contractual profit protection for STV in relation to national linear sales whereby STV's contribution to the national programme budget is pegged to national advertising revenues, with the cost only increasing in the same proportion as any increase in revenues. VOD content costs payable to ITV are on a revenue share basis with no up-front license payments due.

Governance and oversight

The Managing Director of Broadcast and the CEO attend the ITV/STV Council, along with other members of the senior management team. At these meetings, programme strategy and performance is discussed as well as relevant regulatory issues, marketing plans and operational issues relating to the relationship between the two. The CEO provides a comprehensive report to the Board at each meeting which covers all aspects of STV's relationship with ITV, including meetings held and issues discussed.

Risk management

Changing viewing habits

Risk category: Returns and profitability
Risk trend: Increasing
Link to strategy: Content/Audience/Monetisation

Risk description and potential impact

Previously, television was broadcast to a mass audience through a small number of channels and followed a set schedule. However, advances in technology and improved connectivity have resulted in viewers having an abundance of choice through access to content from numerous VOD platforms that is available to them when they want, rather than being tied to a traditional programme schedule. In a market where traditional broadcast viewing is in slow-run decline, there is a risk that STV is not able to convert viewers from linear to digital efficiently – or is unable to attract new users to its BVOD service – through not having the right content to service its audience. There is also a risk that the development slates in our Studios division fails to effectively convert in an ever-increasingly competitive commissioning market. This risk has been assessed as increasing in response to the continued transition of viewing from linear to digital.

How we manage it

STV delivers strong audience performance both in linear and digital, and the shift to digital viewing is a focus for both our Broadcast and Digital teams. Digital commissioners are increasingly important to our Studios team who increasingly pitch to win commissions with international SVOD customers such as Netflix, Apple TV+ and Sky. The strategy of the digital business is to provide viewers with the opportunity to decide what they want to watch, and where and when they want to watch it. STV Player is building strong connections with its growing audience by adding new high quality content – both network and acquired, and through strategic partnerships such as Premier Sports which provides access to top-flight live sport. Our Studios business continues to diversity its offering through strategic acquisitions and broadening its development slates to cater to an international market with a focus on returnable formats.

Governance and oversight

Consumer insights are discussed at each Board meeting with detailed information on the schedule performance provided including percentage viewing share, the year on year change in this and the year on year changes in audience volumes. At the Broadcast and Digital divisional board meetings audience and viewing figures for both linear television and VOD services are discussed. This matter is also discussed at the ITV/STV Council meetings. At the monthly Studios board meeting, the commissioning status across all labels and development activity are discussed, as is the forward orderbook of commissioned programmes.

Cyber attack or data breach incident

Risk category: Information security and cyber
Risk trend: Increasing
Link to strategy: Content/Audience/Monetisation/Organisation

Risk description and potential impact

Cyber risk commonly refers to any disruptive activity arising from issues with the confidentiality, integrity or availability of Company information, services or operations through technology and information systems. STV is dependent on technology and information systems for the smooth running of its business, and as a result a cyber-security incident could lead to a disruption to operations, reputational impact, loss of commercially sensitive data, or data exploitation attempts, i.e., fraud. With STV's unique position as a public service broadcaster and having one of the most recognisable brands in Scotland, we are potentially at greater risk of an attack. Accordingly, this risk has been assessed as increasing.

How we manage it

The STV Risk Management Framework applies to all matters of cyber and data risk, with relevant aspects led by the Information Security Group (chaired by our Information Security Manager) and Data Governance Manager. Our information security programme guides the application of management, digital and physical controls relating to the safeguarding of information and technology systems. Additionally, governance documentation is in place to cover core aspects of information and system control, including Information Security & Acceptable Use, Data Protection, Data Classification, Data Retention, Technical Standardisation and Incident Reporting.

Our core technology infrastructure and information systems are protected using an industry standard security stack, utilising technologies such as firewalls, intrusion detection/prevention systems, segmentation and filtering. Access to information and information systems follows a least-privilege approach with role-based access controls (RBAC) employed. Regular internal and external network penetration tests and vulnerability scans are performed by specialist third parties with remediation items swiftly actioned.

Business continuity and operational resilience are addressed as part of the Information Security Group remit, with strict dependency validation and continuity arrangements assured. Plans are tested at regular intervals relevant to their respective criticality.

Governance and oversight

The Information Security Group (ISG) meets monthly and maintains responsibility for the implementation of security risk reduction, including activities relating to governance, risk and compliance. The ISG is supported by the Technology Leadership Group (TLG).

The ISG provides reports to the Audit & Risk Committee, while additionally reporting to the Board, at least annually, on major projects, internal controls, and risk management.

Defined benefit pensions scheme shortfalls resulting in increasing employer contributions

Risk category: Liquidity
Risk trend: No change
Link to strategy: Content/Audience

Risk description and potential impact

The STV defined benefit pension schemes' investment strategy is aimed at reducing any market movement impacts. However, it is possible that a macro-economic change could impact the value of scheme investments and liabilities and increase the deficit, requiring the Group to increase its contributions, or extend the recovery plan period. This would result in less capital being available for reinvestment in the business or for returns to shareholders. The risk has been assessed as no change given the increased hedging levels in place that protect against adverse movements in inflation and interest rates, and the 2023 triennial valuation was agreed on more prudent assumptions than previously.

How we manage it

STV participates in all Investment Sub-Committee meetings, and certain agenda items of the Actuarial/ Valuation Sub-Committee and the full Trustee Board. This meeting participation is supplemented by certain papers being shared with STV, specifically on performance of the scheme's investments and hedging reports, which enable an on-going and active dialogue in relation to the investment portfolio. Work has continued in line with the Memorandum of Understanding between STV and the Trustees as we continue to work towards agreement (and delivery) of a long term journey plan.

Governance and oversight

Managing STV's defined benefit pension schemes has been identified as a key risk for several years and is discussed regularly by the Audit & Risk Committee and the Board. During 2024 the CFO/COO, supported by the Company's pension advisers LCP, provided regular updates to the Board on the 2023 triennial valuation as well as investment performance, and the collateral and headroom underpinning the scheme's LDI portfolio. In line with normal practice, the Board held one Board meeting during the year where they were joined by LCP: topics discussed in 2024 included priorities for the upcoming triennial valuation, changes in the regulatory landscape and their potential impact on STV, and insight into the investment strategies adopted by the Trustees and potential alternatives. The 2023 valuation agreed with Trustees in October 2024 delivered a position under which the total cash payable by the Group was slightly lower than the previous Schedule of Contributions, and the contingent cash mechanism has been paused until at least 2028. This outcome was achieved against a backdrop of prudent financial assumptions underpinning the liability valuation.

Recruitment and retention of people

Risk category: People and culture
Risk trend: No change
Link to strategy: Content/Audience/Monetisation/Organisation

Risk description and potential impact

The market for talent is highly competitive, particularly in Studios where demand for the best creative minds is always high, even in a challenging commissioning environment. Recruiting, developing and retaining key creative, commercial, technical and professional employees is vital to STV successfully executing its growth strategy. Fundamental to this is developing a diverse and inclusive culture where diversity of experience and thought provides the Group with a competitive advantage. This risk has been assessed as no change as the demand for talent remains the same as the prior year.

How we manage it

Having a clear strategic direction provides an attractive backdrop to working at STV and the HR team ensures that all employees receive at least the market rate in terms of compensation. Salaries are regularly reviewed and there are a wide range of benefits available to employees. Hybrid working arrangements also mean there is no longer a requirement for employees to be permanently office based, increasing the pool of potential candidates. Diversity targets across all divisions are set, monitored and reported regularly at divisional board meetings. There is also regular Group wide communication provided by the Group HR and Communications Director on progress against targets.

Succession plans are in place for key members of the leadership team, and these are reviewed at least annually by the Board and Nomination Committee (for Executive Directors). Following the recent change in CEO, retention packages were put in place for certain senior roles, to ensure a period of stability during the transition and continued focus on the successful execution of our growth strategy. Market-tested remuneration packages are in place for everyone at the point they join the organisation and are reviewed annually as part of wider resource planning and reward strategy processes.

Development of the next generation of leaders within the business reduces the risk of continuity gaps occurring when senior management personnel leave and can't readily be replaced by in-house resource. During the year, the Group launched its Leadership Excellence Programme, facilitated by third party industry experts, aimed at developing the leadership capabilities of high potential employees.

Governance and oversight

Succession planning and talent management are discussed regularly at both the Board and Nomination Committee meetings as well as at the Studios and Digital divisional board meetings. The salary negotiation process is discussed in detail with Board, with the Board paying particular attention to the suite of benefits available to teams in the current climate.

Risk management

Viability statement

In accordance with the UK Corporate Governance Code 2018, the Directors are required to perform an assessment of the Group's viability over a period longer than the twelve months required for the going concern statement.

The period taken into consideration for this year's viability assessment is three years, consistent with that applied previously, as the Directors continue to deem this the most appropriate time frame for assessing the Group's longer-term viability. This decision reflects the following factors:

- Visibility over the broadcast advertising business is relatively short term; advertising remains cyclical and closely linked to UK economic growth;
- The programme development lifecycle tends to be more medium term, however over time there is less visibility due to changes in viewer demand and commissioner behaviours;
- The speed of innovation in the digital landscape continues to drive changing viewer and consumer habits, with limited visibility beyond the short-term;
- One of the Group's key funding obligations is payment of deficit recovery contributions to its defined benefit pension schemes, which are dependent on funding valuations undertaken every three years;
- Capital expenditure requirements do not require consideration over a period beyond three years; and
- The Group's core banking facility has an initial term of 3 years.

This year's assessment covers the period from 1 January 2025 to 31 December 2027.

The Group has recently refinanced its borrowing arrangements and, in February 2025, secured a £70m RCF with £20m accordion for a minimum term of 3 years with two 1-year extension options available. Interest payable under this facility is favourable when compared to the previous RCF with a flat margin applied regardless of the Group's leverage (albeit subject to adhering to the covenant maximum of 3 times).

The viability assessment evaluates the potential financial impact of the principal risks and uncertainties that are faced by the Group, to assess its ability to withstand them. The analysis takes as its starting point the Group's 2025-2027 Strategic Plan which was most recently updated in Q4 2024 as part of the refinancing process. These plans are the result of detailed consideration of all areas of the business including the business model, opportunities, potential risks and uncertainties faced over that timeframe, and include profit and loss, cash flow, debt and covenant forecasts. They reflect the current economic environment and management's best estimate of the likely duration and impact of the current softness in the linear advertising market and the UK and international commissioning markets, as well as mitigating actions that are available.

In assessing the viability of the business, the Board considered several factors that may have a material impact over the period covered by its assessment. Whilst all principal risks (as presented on pages 36 to 39) could have an impact on the Group's performance, those most likely to have the potential to impact the Group's business model and long term viability are:

Market volatility and impact on revenue generation

a) The performance of the national and regional linear advertising markets is significantly adverse to forecast;
b) The projected growth in digital advertising is significantly adverse to forecast, or the forecast level of growth requires investment over and above that assumed in the Strategic Plan;
c) The projected momentum in programme commissions and associated production margins, and therefore revenue and profitability in STV Studios, is significantly adverse to forecasts; and
d) There is implementation risk associated with delivery of cost savings required to right-size the business for the next stage of growth.

Defined benefit pension schemes

e) Investment returns generated by the pension assets is below the level assumed in the triennial valuation at 31 December 2023 resulting in higher contributions from the Company with an impact on liquidity headroom and the ability to invest in the business for future growth.

In terms of those principal risks which the Board consider do not present a risk to the viability of the Group over the period under review, the following is worthy of note:

- Regulatory environment – we have recently been issued with new Channel 3 licences for a further 10 year term to 2034. The new Media Act has been enshrined in law and addresses areas that we had identified as key for the future sustainability of public service media.
- Reliance on ITV – our commercial arrangements with ITV see us aligned with one of the largest advertising agencies in the market with considerable scale and reach. Furthermore, the most recent arrangement for exclusive ITVX content for STV Player in Scotland is a revenue share deal meaning no up-front licence payments for content.
- Changing viewing habits – the impact on profitability and returns under this principal risk is likely to manifest in the same way as 'Market volatility and impact on revenue generation' and is therefore inherently covered in the scenario analysis performed in that regard.
- Cyber attack or data breach incident – whilst a cyber attack could impact the business, there are robust controls and a continued focus in this area to mitigate.
- Recruitment and retention of people – following the recent change in the postholder of CEO, steps have been taken to mitigate the flight risk of key individuals. The Board considers the leadership team to be strong, with a clearly defined growth strategy that has successfully delivered over the last 6 years, and with strength and depth in its ranks.

The Board also considered whether there were any climate-related risks identified that could result in an impact on the viability of the business. This assessment was supported by the scenario modelling undertaken during the year, which looked at a range of potential future scenarios with regard to climate change and the possible impact on the Group's financial position and business model under each. As set down in the TCFD Report on page 62, the outcome of the scenario modelling was that there was a negligible impact on profitability identified and the Board concluded that the Company is resilient in the face of climate-change related risks in the short and medium term.

In terms of the specific factors identified that may have a material impact over the period of this viability assessment (as set out to the left), the Board does not consider any of them to individually threaten the viability of the business, and therefore the viability assessment focused on a range of potential scenarios in which all potential risks crystallised simultaneously. These scenarios included a severe but plausible downside scenario, and more extreme scenarios in which the Group would breach borrowing and/or covenant limits.

The hypothetical severe but plausible downside scenario modelled assumed a combination of:

i) reductions in linear advertising revenues over the entire period of the viability assessment, with no meaningful recovery from the downturn experienced in 2023 & 2024. National advertising revenues grew 4% in 2024 as a result of the Euros football tournament with the underlying market still soft and against a backdrop of national advertising revenue being down 16% in 2023 year on year. 2025 also sees the introduction of a ban on advertising of high fat, sugar, salt (HFSS) goods, the application of which remains uncertain. The main viability assumption was a national advertising revenue decline of up to 9% in each of the three years.
ii) lower levels of VOD revenue and Digital profitability driven by underperformance of sales contracts and higher costs of content and marketing than planned. National VOD revenue assumptions were a halving of expected growth in the first 2 years of the model.
iii) a reduction in anticipated commissions within Studios, across all genres and all commissioners, combined with lower production margins on commissions won, reducing production revenues by more than £40m across the viability period.
iv) higher levels of contributions required to meet our obligations under our defined benefit pension schemes from 2025. The current Schedule of Contributions requires payments of c.£10m pa.

Even in these severe but plausible circumstances, the Group would remain within its new banking facility and comply with all financial covenants, albeit headroom would be much reduced.

In evaluating these models, the Directors took into account a number of the available mitigating actions that the business would reasonably take to manage the impact, specifically in relation to cost reduction, management of working capital, capital investment and returns to shareholders.

Having conducted the above exercise and taken into account the business model, strategic aims, risk appetite, and principal risks and uncertainties, along with the Group's current financial position, the Directors are satisfied that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period under review.

Engaging with our stakeholders

S.172 statement

S.172 statement

In the decisions taken during 2024, the Directors consider they have acted in a way most likely to promote the success of STV for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s.172 of the Companies Act 2006.

The Directors, in line with their duties under s.172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members. In doing so each Director has regard, amongst other matters, to the:

- likely consequences of any decision in the long term
- interests of the Company's employees
- need to foster the Company's business relationships with suppliers, customers and others
- impact of the Company's operations on the community and the environment
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly, as between members and the Company

STV's success depends on building and nurturing positive relationships with its stakeholders that have an interest in the business and may be impacted by the decisions taken. STV wants to be a business that provides positive outcomes for its stakeholders, identified through its strategic planning process as being employees, customers, shareholders, suppliers, communities and the environment, Government and regulatory bodies. These stakeholders are at the heart of STV's business model, strategic priorities, values and culture.

Our extensive engagement efforts help to ensure that the Board can understand, consider, and balance broad and sometimes conflicting stakeholder interests when making decisions, and retain focus on delivering long-term sustainable value. Stakeholders' engagement and analysis is also key to STV's approach to risk management.

While the Board will engage directly with stakeholders on certain issues, stakeholder engagement will often take place at an operational level with the Board receiving regular updates on stakeholder views from the Executive Directors and senior management.

The Directors are supported in the discharge of their duties by agenda planning for Board and Committee meetings to ensure there is sufficient time for the consideration and discussion on key matters, and by processes which ensure the Board is provided with timely management information from all STV's business areas.

The following pages provide some insight into how the Board discharges its duties under s.172 across each of the key identified stakeholder groups alongside some of the 2024 Board decisions summarised.

Colleagues

Our colleagues are integral to the success of STV and so nurturing them is essential

What matters to the stakeholder
- Knowing their voice is heard
- Ensuring everyone is treated fairly
- No compromises on safety and wellbeing, including mental health
- Regular 'check in' opportunities
- Development and career progression
- Alignment between personal and Company values

How we engage with them
- Chief Executive hosted regular all-colleague virtual town halls
- Daily news emails to all-colleagues on all aspects of the business
- Wellbeing from STV, a programme of activities including active inclusion workshops
- Training and development programmes, and mentoring

Stakeholder areas of focus
- Integration of creative labels in STV Studios
- Inclusion, diversity and equality
- Information and data security
- 2023 triennial valuation for the Group's defined benefit pension schemes
- Wellbeing (mind, body and lifestyle)
- Succession planning

How the Board responded
- Prioritisation of wellbeing (mind, body, lifestyle) with the 'Wellbeing from STV' programme and development of peer network
- Succession planning for key roles and promotion of Women in Digital programme
- Engagement with colleagues across all offices through visits by the Designated Non-Executive Director for Workforce Engagement
- Continuous training on information security and related controls/practices
- Approval of the 2023 triennial valuation for the Group's defined benefit pension schemes
- Flexible approach to salary reviews
- Informal session for the Board and colleagues at our London office
- Setting of Diversity & Inclusion targets to support continued progression of STV's Diversity & Inclusion strategy

Customers

Our viewers, subscribers, advertisers, and commissioners are the cornerstone of STV's continued success

What matters to the stakeholder
- Variety of programming both broadcast and produced
- Availability, cost-effectiveness and total STV reach
- A trusted and impartial news service
- Awareness of key social and topical issues

How we engage with them
- Dedicated Viewer Enquiries team
- Customer surveys via ScotPulse
- STV Growth Fund, STV Self Service and Growth Academy
- Social media and STV News website
- Market insight

Stakeholder areas of focus
- Data and insights
- Information and data security
- Sustainable supply chains
- Pricing
- Collaboration and partnerships

How the Board responded
- Investment in Market Voices and Expert Voices
- Continued support for STV Growth Fund
- Continuous training on information security and related controls/practices
- Incremental investment in 5 creative labels, expanding a forward pipeline of new programme ideas for commissioners
- Partnership agreement between STV Player+ and Premier Sports

Suppliers

Continuity and sustainability of our supply chain is critical for our long-term success

What matters to the stakeholder
- Timely payment practices
- Open and transparent negotiations
- Collaborative relationships
- Compliance with laws and regulations

How we engage with them
- ITV/STV Council
- Face to face meeting with suppliers
- Contract performance reviews

Stakeholder areas of focus
- Management and control of inflationary pressures
- Information and data security
- Sustainability of supply chain
- Security of invoicing and payment arrangements

How the Board responded
- Strategic oversight of relationship with ITV
- Continuous training on information security and related controls/practices
- Annual review and approval of the Group's Modern Slavery Statement

Engaging with our stakeholders

S.172 statement

Shareholders

Shareholders play a vital role in the success and growth of STV through provision of funds

What matters to the stakeholder
- Strategy and execution
- Prospects for future growth
- Investment plans and expected returns
- Returns via dividends and capital appreciation
- Strong ESG practices
- Transparency and openness

How we engage with them
- Annual General Meeting
- Capital Markets Events
- Presentations to the retail investor community
- Visits to Company operating premises
- One to one meetings
- Dedicated Investor section of the corporate website

Stakeholder areas of focus
- Strategic priorities and investment case
- Market conditions, economic and geopolitical environment
- CEO succession and Board changes
- Management of pension obligations
- Cost strategy, margins and returns
- Sustainability and ESG

How the Board responded
- Communication of updated 3 Year Strategic Plan for 2024 to 2026 and regular communication of performance
- Incremental investment in five creative labels as part of a creative label review in STV Studios
- Approval of the 2023 triennial valuation for the Group's defined benefit pension schemes
- Delivered cost saving target for FY24
- Appointment of new CEO and new Non-Executive Director
- In-person meetings with Executive and Non-Executive Directors
- Provision of guidance where appropriate
- Achievement of 2024 STV Zero sustainability targets

Community and environment

In order to remain relevant to our viewers and advertisers, we must reflect the communities we serve both on-screen and off-screen, and use our Public Service Broadcaster status to share important topical, social and environmental issues

What matters to the stakeholder
- Availability of trusted news, facts and insight
- Supporting local causes and community projects
- Driving the local economy through job creation and supporting local businesses through access to cost-effective marketing platforms
- Reducing our environmental impact
- Representation through programming, on screen and online

How we engage with them
- News and current affairs programming aligned with key current social issues
- Online portal, STV Self Service
- STV Growth Fund incorporating on Inclusion Fund and Green Fund, and STV Growth Academy
- STV Children's Appeal

Stakeholder areas of focus
- Sustainability and climate risks
- Supporting the local creative sector
- Cost of living crisis

How the Board responded
- Sustainable Scotland Week (a cross platform campaign to raise awareness and inspire behavioural change)
- RTS Bursary scheme
- Raising £2.4m for local charities supporting children living in poverty across Scotland, via STV Children's Appeal

Government and regulators

Active engagement provides STV the opportunity to input on matters relating to our industry and our business, to ensure that our voice as Scotland's leading Public Service Broadcaster is heard

What matters to the stakeholder
- Compliance with laws and regulations
- Ethical operations and practices
- Creating and sustaining employment
- Investing in the creative industry
- Strong ESG practices

How we engage with them
- Participation in a range of consultations affecting our industry and business
- Direct engagement with policy makers, e.g. The Department for Culture , Media and Sport, Scottish Government, Ofcom

Stakeholder areas of focus
- Channel 3 licence renewal
- Media Act, specifically prominence for PSBs in a digital streaming environment

How the Board responded
- Consultation responses to industry matters including Ofcom's consultation on the implementation of the Media Act
- Investment in independent production companies
- Providing direct employment for c.600 people, and supporting Scotland and the UK's freelancer community
- RTS Bursary scheme
- Holyrood reception hosted by Alexander Stewart MBE MSP
- Westminster event hosted by Baroness Fraser of Craigmaddie

Key Board decision 1:
Triennial valuation of pension

The Board recognised the importance of reaching agreement with the trustees of its defined benefit pension schemes for the 31 December 2023 triennial funding valuations and deficit recovery plans.

Negotiations with the trustees were led by the Chief Financial & Operating Officer and the Company's external advisers, LCP. As a Board, priorities for the valuation outcome were discussed at the outset of the process with regular updates provided. Throughout the process, the Board considered its obligations to the members of the schemes as well as obligations to other stakeholder groups and the capital available for shareholder returns and investment in the business.

The Board approved the final terms of the valuation, specifically: retaining the existing end point of the recovery plan to reach full funding, using prudent assumptions about the future, by October 2030; delivering a slight reduction in total annual cash payments to the schemes going forward; and a pause in the contingent cash mechanism until 2028, with no such payments required until then (unless the Company and trustees agree otherwise). The outcome of negotiations was a series of financial assumptions and contribution commitment that resulted in a funding deficit of £61m on a pre-tax basis, compared to the pre-tax deficit of £116m at the 2020 triennial valuation.

The Board concluded that the pension schemes valuations had been reached in an efficient and timely manner, providing certainty to STV and the schemes' members, and had sufficiently balanced STV's continuing commitment to former colleagues and a desire to secure additional flexibility across the full spectrum of capital allocation.

Stakeholder groups affected

Colleagues

Shareholders

Government and regulators

Engaging with our stakeholders

S.172 statement

Key Board decision 2: Creative label review

During the year, the Board spent some time discussing enablers to deliver the STV Studios strategic objective to accelerate UK and international growth. As part of this, the Board agreed that focus should be on those creative labels with the highest potential to create returnable, internationally-focused, formats to promote accelerated growth.

At the request of the Board, the Studios Leadership Team undertook a review of all labels under the STV Studios umbrella brand and their findings were presented to, and discussed, by the Board. As a result of the review, the Board approved the decision to part company with four labels and continue to invest in five existing minority and majority-owned entities.

The Board concluded that the outcome of the label review was a stronger Studios portfolio, optimised to operate in the current commissioning market and would therefore promote the success of the Company for it members as a whole and also benefit its customers, suppliers, community and environment.

Stakeholder groups affected

- Customers
- Suppliers
- Shareholders
- Community and environment

Key Board decision 3: STV Player+/Premier Sports partnership

During the year the Board carried out frequent market reviews, keeping up to date on emerging trends as well as being provided with presentations on the delivery of its strategy.

Through the discussion around STV's Digital content strategy it was determined that partnerships with other content providers could be a way forward to offer expanded content and broaden the demographic of viewers. Premier Sports was identified as a potential partner with there being a fit on both sides: STV Player as the home of major free-to-air sport tournaments and with a wide catalogue of premium drama content; and Premier Sports with their Scottish football rights and an expanding collection of rights for a wide range of other sports. The Board considered the business case, financial modelling and the resource required to provide an STV Player+/Premier Sports bundle for Scottish viewers and fans.

The Board concluded that approval of entering into a distribution agreement with Premier Sports broadened STV Player+ audience appeal, complemented STV's growth strategy and therefore positively impacted its customers, suppliers, shareholders and the community and environment.

Stakeholder groups affected

- Customers
- Suppliers
- Shareholders
- Community and environment

ESG report

Overview

Through our people, engagement with the communities in which we operate and our commitment to reduce our carbon impact, in 2024 we have we have continued to build a more sustainable business. We have made good progress against our key objectives, delivering a positive social impact to enhance shareholder and stakeholder value.

In 2023 an ESG Committee was formed by the Board with the aim of ensuring our actions and resources are aligned with, and addressing, our priorities. We account for our progress through delivery against stretching targets that are set and monitored by the Committee. Further details of the work of the ESG Committee during 2024 are covered on pages 90 and 91.

2024 ESG strategy and highlights

People

The creativity and commitment of our people are the driving force of the business. During 2024 we supported the mental, physical and financial wellbeing of our people and continued to build an inclusive culture with equality of opportunity for all.

- 8 of 9 diversity targets achieved
- 52 bursary scholars supported on STV's RTS Bursary Scheme since launch

Community

We use our platform as a force for good to shine a spotlight on the causes we support through the STV Children's Appeal and the STV Growth Fund.

- Over £2.4m raised by STV Children's Appeal in 2024
- STV Growth Fund providing over £35m funding to Scottish SMEs

Sustainability

We achieved our targets across all areas of activity, continuing to make energy and carbon savings and inspiring our audiences to make more sustainable lifestyle choices.

- Scope 1 and 2 emissions reduced by 73.6% from a 2019 baseline
- 72% of viewers more likely to make environmentally conscious choices after seeing 'Sustainable Scotland Week' on STV

People

The creativity and commitment of our people are the driving forces of the business. Building an inclusive culture that provides colleagues with a voice, equality of opportunity and a clear sense of purpose are our commitments to enable them to thrive. In a year characterised by tough trading conditions in our key markets, a priority has been to ensure candour in our communications about the challenges faced by the business. Our focus on wellbeing, further extending the support available to colleagues through *Wellbeing at STV*, has been important in this environment.

Rewarding our people

Reward and remuneration continue to be determined with reference to the market to support attraction and retention. A Company-wide grading structure, benchmarked against a UK-wide peer group through our participation in Willis Towers Watson's annual media remuneration survey, provides transparency and ensures reward and benefits are market competitive. In 2024, turnover across all areas of the business was less than 10% and below our industry and sector-specific comparators.

In early 2024 we harmonised the rewards and benefits of colleagues from Greenbird Media with the STV grading and benefits structure as part of a range of measures introduced to integrate the businesses and form one team within STV Studios.

The 2024 salary award provided an above-inflation increase to over half of colleagues. As in the previous year, in recognition of the high level of inflation prevailing at the time of the 2024 salary settlement, the award was structured to deliver a higher increase to colleagues on lower salary levels.

The 2024 award also provided an opportunity to align reward of all colleagues with the Company's performance outcomes, providing the potential to benefit from a profit-sharing plan. With trading ahead of expectations in the first half of 2024, as a gesture of support for the continued commitment of colleagues through a challenging period, a proportion of the maximum potential bonus was paid as a guaranteed payment. An additional payment for on target performance will be paid in March 2025.

Following approval from shareholders at the 2024 AGM, a new Save As You Earn (SAYE) scheme was granted promoting share ownership and a savings opportunity for colleagues. Currently over 25% of colleagues are participating in SAYE plans.

In response to feedback from colleagues and with the backdrop of lower and more normalised levels of inflation, the 2025 salary award delivered the same percentage increase of 3% to all colleagues regardless of their salary level. This represents an award in line with inflation and industry peers.

Engaging with our people

Colleagues are encouraged to keep informed, provide feedback, access support and establish connections across the organisation through the range of internal communication channels we provide. We monitor engagement levels with each of these channels to assess their effectiveness and impact.

Have your Say is our employee engagement platform through which we track engagement and obtain feedback on a range of topics. Typical response rates are high at over 80% with participation open to all colleagues, including those engaged on a freelance basis. In 2024, we conducted a survey to measure awareness of our sustainability strategy, STV Zero, and inform our decisions about enhancements to our employee benefits offering to encourage sustainable commuting. This will be a key contributor to the reduction of STV's Scope 3 emissions in future. In early 2025 we conducted a survey targeted at colleagues in STV News to provide an opportunity for them to participate in decisions about the future editorial direction of our content as we commit a significant investment in the on-screen look of our flagship news programme. A wider all-colleague survey is planned in Q2 to assess the effectiveness of our engagement activities.

Daily News, our daily email news update, continues to be read by over 80% of colleagues, providing information from across the business including programme releases, performance stats, corporate developments, social events and industry updates. It is also a key tool in raising awareness and participation in our diversity and inclusion activities and STV Zero.

'The Mixer' is our fortnightly all-colleague virtual town hall session hosted by the CEO and regularly attended by over two-thirds of colleagues. Featuring highlights from across the organisation, the session connects colleagues and provides an opportunity for them to increase their understanding about the wider business.

Connections between the Board and colleagues across the business are supported through the designated Board role of 'Employee Director'. In late 2024, David Bergg, Non-Executive Director, succeeded Simon Miller in this role. Throughout 2025, David will undertake an initial programme of site visits across all locations.

Wellbeing and support

Wellbeing from STV takes a holistic approach offering colleagues support with mental, physical and financial wellbeing. The programme provides resources, access to support services and materials and peer to peer support, in addition to professional support interventions where appropriate.

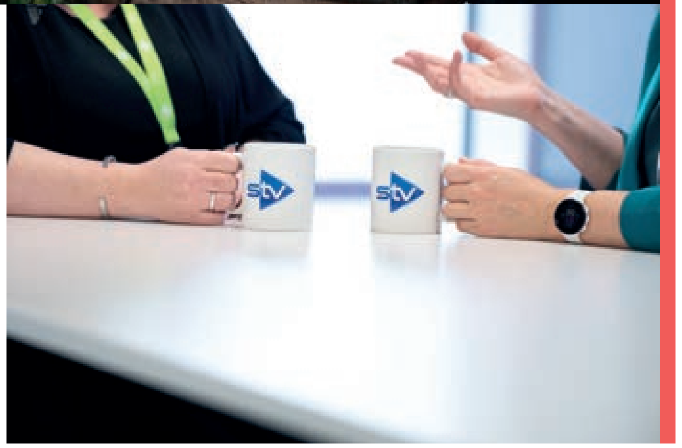
The slowdown of the production sector in 2024 has created additional pressures on the wellbeing of our freelance colleagues whose contribution and skills are key to the growth of STV Studios. In addition to our work with The Film & Television Charity and Bectu, we have extended our network of partner organisations to support freelancers. Our policy of providing freelance colleagues with access to *Wellbeing from STV* while engaged on our productions, including our employee assistance programme (EAP) and occupational health resources, has continued during 2024. Additionally, we have extended training for our production teams to ensure we provide a safe, inclusive and mentally healthy environment to everyone who is part of our STV Studios team.

CheckIn, our performance management process, has operated during 2024 supporting managers in setting objectives, monitoring performance of team members and creating opportunities for structured conversations about support needs including wellbeing.

Left: Our people
Recording a promo in our Sound Dub

Below: Nisha Katona's Home Kitchen
Behind the scenes on set

Base: Mental Health First Aiders
Our trained team are on hand to offer confidential support



Diversity and inclusion

As a creative organisation, diversity in views and voices is central to our values and is critical to the success of our business and our relationships with audiences. Understanding the communities we serve and reflecting them in the content we produce is at the heart of public service media. As a producer we ensure we reflect our audience in our shows. And our colleagues are encouraged to celebrate individuality, ideas, passion and the innovation created by different perspectives.

An open and transparent approach to inclusion is at the heart of every team across STV. We are committed to working together to create an inclusive culture that enables equality of opportunity for all colleagues and to ensure we are relatable to our audiences.

In 2024 we made progress across all of our key areas for action and achieved 8 of our 9 targets, designed to become a more inclusive organisation.

We have five key priorities to help us achieve our goals:

1. Increasing diversity at all levels of our organisation and building diverse talent networks.
2. Creating an inclusive working environment for all colleagues.
3. Increasing representation and portrayal of diverse voices in the content that STV produces, commissions, and acquires for STV and STV Player.
4. Improving diversity and authentic portrayal in the advertising content we produce.
5. Developing partnerships to increase inclusion across the TV industry. This includes a specific focus on work with the TV Access Project to partner with broadcasters and streamers and ensure access provision for disabled talent.

Our inclusion strategy is championed and accountable at senior levels and progress is driven by a Diversity & Inclusion Steering Committee chaired by the Managing Director, Broadcast, with STV's D&I Advisor. Representatives from each of our peer groups attends to provide input and perspectives from across our inclusion agenda.

Areas covered include representation, inclusion and access for colleagues who self-define as Deaf, Disabled and/or Neurodivergent, LGBTQ+ and Black, Asian and minority ethnic colleagues, as well as considering gender balance and support for parents and carers.

A key priority in 2024 was evolving the operation of our five peer groups. Now established as 'The Network', each group has a designated lead and is made up of representatives from across the business. The groups meet regularly to inform STV policy and drive initiatives and events. In 2024, we have progressed the joint aim of 'The Network' to promote an inclusive culture by giving voice, visibility and impact to their agendas, aims and activities supporting inclusion. This includes using internal communications channels to provide regular updates to the business and raise the profile of The Network; introducing new colleagues to the group; hosting speakers and events relevant to our goals; and providing peer-to-peer support including a safe space to ask questions, share experiences and provide access to Mental Health First Aiders with lived experience. The groups are also focused on specific priorities relevant to their agendas:

- Pride: Shining a light on LGBTQ+ inclusion.
- AAA: Developing accessibility and support for deaf, disabled and/or neurodivergent colleagues.
- Represent: Driving cultural competence, celebrating cultural diversity and increasing representation in mid-senior level roles.
- Balance: Championing career pathways, development and peer support for women in technical, senior and on-screen contributor roles to support a balanced gender profile; promoting awareness of health issues that can affect colleagues at work, including through sub-groups like the menopause peer group.
- Flex: Developing policy and cultural support for colleagues balancing work and caring responsibilities.

We delivered further equality and diversity training to colleagues during 2024, covering trans inclusion and gender identity, neurodiversity and menopause, as well as unconscious bias, creating inclusive cultures and bespoke training for senior editorial roles in production and news.

In 2025 inclusion training programmes will include a focus on the social model of disability, neurodiversity, support for colleagues with parental and caring responsibilities and mental wellbeing.

Working with our partners to drive change and improve equality

We work with a network of partners and industry stakeholders to increase representation of diverse talent and create inclusive working environments.

These include Ofcom's Diversity in Broadcasting working group and the Diversity Stakeholders working group, focused on the production sector in Scotland to create more opportunities for talent in Scotland. A 'Meet & Greet Scotland' event for middle to senior level Deaf, Disabled and Neurodivergent talent sponsored by Screen Scotland, Pact, Channel 4, STV, BBC Scotland and BBC Alba will take place in early 2025.

The TV Access Project sees us working together with other broadcasters, streamers, disabled creatives and disability campaign groups, to co-create solutions to remove barriers to access in the industry, with a vision to achieve full inclusion by 2030.

On screen and online

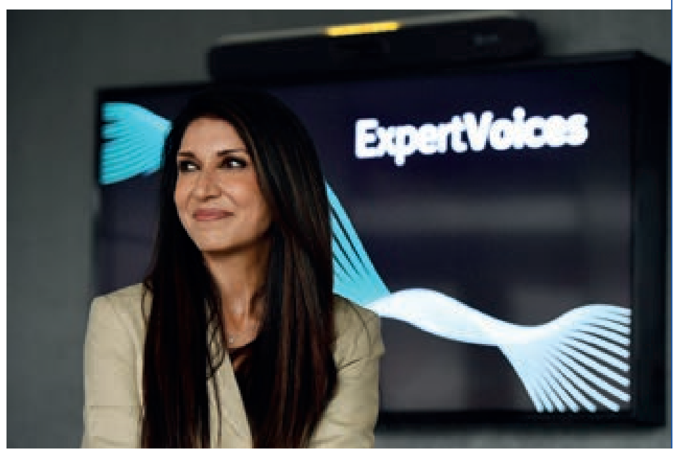
We are changing the profile of the contributors on our news and current affairs programming through STV Expert Voices. Designed to increase representation and portrayal of diverse voices in the content that STV produces, commissions, and acquires, to date approximately 1,700 people from under-represented groups have received media training to encourage them to contribute to our programmes. By the end of 2024, more than 10% have appeared on air.

In 2024, we achieved three of our four targets for on-screen contributors. In 2025 we will introduce a new target to increase the number of contributors living with a disability.

Both our broadcast content, and content on STV Player exceeds regulatory access services targets.

We're committed to diverse and authentic portrayal in the commercials we produce, and we have developed internal workflows to subtitle our advertising content.

We are committed to working together to create an inclusive culture that enables equality of opportunity.



Right: Expert Voices
Increasing on-screen representation

The Network: STV's peer groups

STV Access All Areas (A.A.A) Network

The Access All Areas Network has a key goal to increase accessibility at STV, and of STV's services. As a member of the TV Access Project (TAP) and through partnerships with Enable Scotland, Inclusion Scotland and The Digital Accessibility Centre, the Access all Areas Network is addressing practical issues identified as barriers to progress to effect lasting change for disabled people in all parts of our business, both on and off screen. STV, along with the other main UK broadcasters, has introduced an inclusion 'passport' which sees broadcasters encouraging staff to communicate their access and adjustment needs.

STV Represent, The Cultural Diversity Network

The Represent peer group drives STV's ongoing action plan of supporting cultural diversity across the business. STV is committed to increasing representation of Black, Asian and minority ethnic colleagues across all areas of the business. STV also aims to improve on screen representation in programmes being made for itself and others, as well as ring-fencing £1m from the STV Growth Fund for advertising campaigns that champion diversity in Scotland.

STV Balance, Gender Equality Network

The activities supported by STV's Gender Equality Network, Balance, are aimed at supporting our target to achieve a 50:50 gender split in the top 25% of roles. Balance is focused on a number of initiatives to support this aim including: talent development programmes; increasing representation of women in senior STEM related roles; and, on-screen, increasing gender representation in our news and current affairs output.

STV Flex, The Family Network

The Family Network drives an action plan to support parents and carers as well as providing a peer network for colleagues who are balancing family and work responsibilities. Flex is focused on ensuring the views of those in caring roles are represented across STV, raising awareness of the challenges they may face and helping them access information and support. Through its work, Flex has overseen the introduction of a carer's policy for STV colleagues.

STV Pride, The LGBTQ+ Network

The LGBTQ+ Network works to champion LGBTQ+ inclusion at STV, in our programming and across the wider community. STV Pride is focused on creating an inclusive culture and working environment for our people. Through its work, Pride has facilitated participation in local Pride marches and overseen the introduction of a transitioning policy for STV colleagues.

ESG report

Our targets – tracking our progress and creating focus for action

We measure our progress against annual targets which are the minimum level of representation we aim to achieve:

- Gender: A balanced gender profile across all roles, including across roles in the upper earnings quartile. In the programmes produced, a gender balance in the contributors on *STV News at Six* and *Scotland Tonight*.
- Ethnic diversity: 9% of colleagues based in Scotland; 20% across the rest of the UK; 8% in the contributors in our flagship news programme, *STV News at Six*; and 12% in our anchor current affairs programme, *Scotland Tonight*.
- Disability: 14% of all colleagues and 14% in roles in the upper earnings quartile.
- LGBTQ+: 6% of all colleagues.

New targets have been set for 2025 and 2026, including targets for ethnicity and disability for roles in our upper earnings quartile and the introduction of ethnicity pay reporting.

Performance against 2024 targets

Our people	Gender	Ethnically diverse		Disability	LGBTQ+	Lower socio-economic
2024 targets	Balance across top 25% roles by earnings	Scotland: 8%	Rest of UK: 15%	12%	4%	Monitoring and Ofcom reporting only*
2024 outcome	51.5% female ACHIEVED	8% ACHIEVED	19% ACHIEVED	17% ACHIEVED	10.5% ACHIEVED	31%

On screen	Gender	Ethnically diverse	Disability	LGBTQ+	Lower socio-economic
STV News at Six	Balanced 50:50	Target: 8%	N/A		
	Outcome: 50% female ACHIEVED	Outcome: 8% ACHIEVED			
Scotland Tonight	Balanced 50:50	Target: 12%			
	Outcome: 48% female NOT ACHIEVED	Outcome: 12% ACHIEVED			

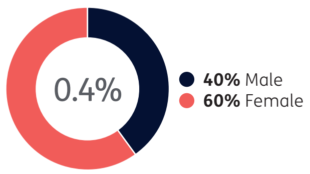
Gender pay profile

A balanced gender profile and continued progress towards gender pay parity

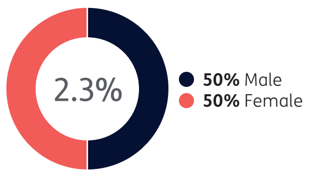
STV's gender pay gap reduced slightly in 2024 to 11.6% (2023: 11.7%). Underpinning this, the key target to achieve a balanced gender profile in the upper pay quartile was achieved for the second consecutive year. This marks significant progress since this target was set when only 30% of roles at this senior level were held by female colleagues. Across all roles, the profile remained balanced (52% women: 48% men).

Gender balance and mean pay gap by pay quartile 2024

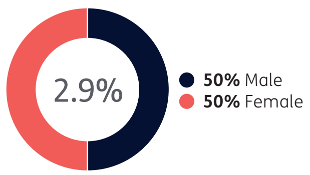
Lower



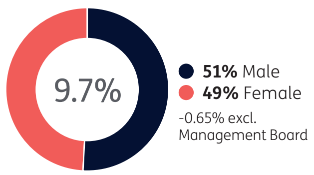
Lower middle



Upper middle



Upper



The mean gender pay gap is 5.5% across 75% of all roles (2023: 5.9%).

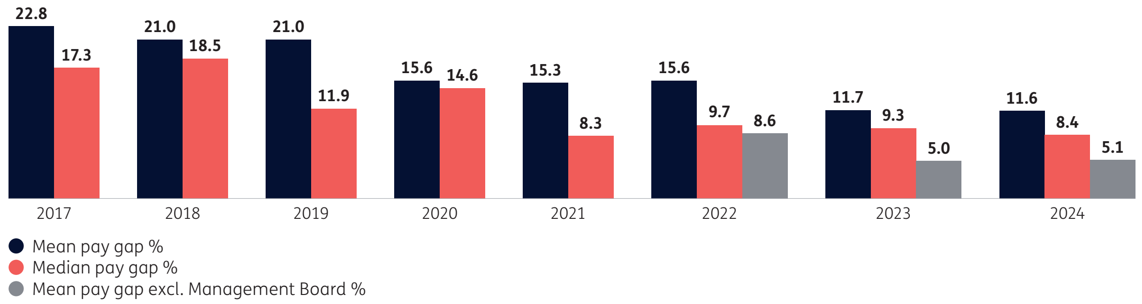
We continue to implement measures across the business to support female colleagues to progress through the organisation into senior roles, including annual succession planning, targeted career development and talent acceleration programmes, and enhancements to parental leave policies. In this reporting period 38% of promotions were secured by women. At Board level (plc and Management Board), 31% of roles are held by women, compared to 29% in 2023.

Since gender pay reporting was introduced in 2018, STV's gender pay gap has reduced by 49%. In the upper earnings quartile, where the target was set to achieve gender balance, the mean pay gap has further reduced year on year to 9.7% (2023: 10.9%). If roles in the Management Board are removed from this group, there is a reverse, or negative, pay gap of -0.65%, with female colleagues averaging slightly higher pay than male colleagues in this group. Across the remaining 75% of roles across STV, the mean pay gap has also reduced year on year to 5.5% (2023: 5.9%).

The median gender pay gap, which reflects the difference in the midpoints of the hourly rates of pay for men and women has also reduced year on year to 8.4% (2023: 9.3%).

Details of Board and Executive Management diversity are included in the Strategic Report on page 73.

Closing the gender pay gap



Gender bonus gap 2024

Relates to bonuses paid over the period April 2023 to March 2024

57% mean
2023: 51%

34% median
2023: -2%

People receiving a bonus in 2024

Relates to bonuses paid over the period April 2023 to March 2024

18% men receiving bonus pay
2023: 18%

23% women receiving bonus pay
2023: 21%

Gender bonus pay gap

The mean and median gender bonus pay gaps have increased year on year to 57% and 34% respectively (2023: 51% and -2%) due in large part to the acquisition of Greenbird Media in 2023. Excluding the Management Board, the mean and median 2023 gender bonus gap figures are 8% and 34% respectively.

Gender pay gap reporting is prone to volatility when making year on year comparisons due to a number of factors that impact bonus payments, such as variable timing of payment of bonuses from one year to the next.

Achieving our diversity targets

To achieve our target for gender balance in the upper earnings quartile, a comprehensive programme was implemented to increase retention of female colleagues and support them in progressing to the most senior roles.

Talent acceleration

- Annual succession planning and targeted career development programmes have strengthened our talent pipeline for senior roles.
- Launch of The STV Leadership Excellence programme in 2024 is focused on further developing senior leadership capability across the business.
- STV Digital Accelerator programme has supported eight senior women in the Digital business with personal and career development.
- All career development programmes strive to achieve 50:50 gender profile in each cohort.

Culture

- Training and awareness programmes support managers and colleagues in building an inclusive culture.
- Inclusive hiring training continues to be rolled out to all managers across the business.
- Our Balance peer group provides a forum for open conversation around culture and development opportunities for women across the organisation.

Work-life balance

- Our Returners programme supports primary carers in achieving a smooth return to work from maternity, shared parental or adoption leave, including the offer of a mentor and access to a peer support network.
- Our menopause peer group has been established to support women who are experiencing menopause in the workplace.
- All managers receive training to support them in delivering our commitments within our family friendly policies.

Diverse talent pipeline

- Successful partnership with STEM Returners to support women in STEM related roles to re-enter the workplace.
- Expansion of talent networks and pipelines.
- STV Expert Voices develops female contributor talent for STV News & Current Affairs programming offering media and studio familiarisation training and networking opportunities.
- The STV/RTS Bursary Scheme has supported 52 scholars from lower socio-economic backgrounds with financial and career development support.

Community

In 2024, the price of essentials such as food, housing and energy increased, leaving many families struggling to make ends meet. With inflation projected to remain above recent norms into 2025, the effects of poverty are being felt far and wide across Scotland. Through its commitment to help children and families that need it most in Scotland, the STV Children's Appeal funded multiple projects that provide essential support around material need, education and employability, wellbeing and community.

Fundraising activity

This year saw a variety of fundraising activity across established events, new ventures and partnerships that raised awareness of the Appeal and its mission, helping to raise over £2.4 million.

Hundreds of people took on the Kiltwalk for the STV Children's Appeal across all four events in Glasgow, Edinburgh, Dundee and Aberdeen, raising thousands of pounds that will be distributed to local charities.

The Big Scottish Breakfast – run in partnership with Kellogg's – launched in May and ran for a week in September, with groups, businesses and schools hosting their own breakfast events to raise funds for the Appeal. The Big Scottish Breakfast was supported by celebrities Anton Danyluk and Jean Johansson, as well as STV weather presenter Sean Batty. The Appeal also engaged several influencers, including Andy the Highlander, the Halal Gal, and Scotland Uncovered, who collaborated on videos to raise awareness of the campaign. This led to our highest ever social engagement for the campaign and over 100 events being held across Scotland. Funds raised from the campaign will help support projects that provide free breakfast for children and young people at risk of hunger across Scotland.

June saw the return of the STV Appeal Cup for its third year. The tournament was hosted at Powerleague Glasgow with companies such as Dell, Envevo, Arnold Clark and KPMG battling it out for the winning trophy. The STV Appeal Golf Day entered its second year and grew in size as a sold-out event with 22 teams taking part. And the Big Brunch returned in Glasgow, as well as making its debut in Aberdeen, bringing people from across the North East together for an afternoon of fun and fundraising.

Who we help

The STV Children's Appeal is a grant-making charity committed to helping children and families across Scotland, by funding projects that provide essential support.

The Appeal funds both national and local projects across Scotland. This includes Street Soccer Scotland, who used their grant to extend their reach. They opened an additional base in Aberdeen to provide free football to children aged 10-16 and adults of all ages to drive social inclusion. The charity also increased their women-only sessions with the support of female staff and have seen a huge increase of players from a refugee background.

The Appeal partnered with The Corra Foundation to launch the Boost small grants programme. Boost funding was available for organisations supporting children and families in their local communities, and was created to help groups whose important work was impacted by increases in basic running costs such as utilities, salaries and transport.

Another charity that benefitted from Appeal funding was Saheliya, a specialist mental health and wellbeing support organisation for black, minority ethnic, asylum seeker, refugee and migrant women and girls. This funding enabled Saheliya to increase their capacity to provide case work advocacy and language support for women in Glasgow and Edinburgh.

Programming

As Scotland's commercial Public Service Broadcaster, STV is dedicated to providing a platform to raise awareness of the profound impact of child poverty and highlight the vital work of charities across Scotland striving to break down barriers and give children the best possible start in life. STV also aims to inspire viewers by showcasing how their support and fundraising efforts can make a meaningful difference.

The STV Children's Appeal campaign culminated with two key programmes shown in November. Jean Johansson hosted documentary *STV Children's Appeal: The Game Changers* which explored the power of role models in changing lives. The programme shone a light on three charities which have mentorship at the heart of their work: Haus of Seisay in Paisley, Scran Academy in Edinburgh, and Dundee Dragons. It highlighted the importance of community and relationships in helping young people overcome adversity and finding a path towards a brighter future.

The year's fundraising was celebrated in *The STV Children's Appeal 2024* with Appeal Trustee, Lorraine Kelly, and STV's Entertainment Reporter Laura Boyd for a lively show filmed at Glasgow Kelvin College. The show highlighted the charity work taking place across Scotland and celebrated fundraising heroes and ambassadors. Featured in the 30-minute show were Laura Boyd and Sean Batty's Landmark Challenge, charities East Lothian Young Carers, Bairnecessities and Lesley Community Pantry, and a variety of fundraising activities.

Children from St Andrews RC Secondary School hosted a week-long 'channel takeover' on STV, replacing the usual continuity announcers to introduce shows like *The Chase*, *Emmerdale*, and *The STV Children's Appeal Show* and documentary. These clips were shown on STV alongside celebrity donation messages from Brian Cox, Marli Siu and Alan Cumming among others.

The channel also aired spotlights on key charity partners such as Lidl, Beatson's, Tunnock's and Arnold Clark who supported the Appeal in their own unique way.

Left: Big Scottish Breakfast
Fundraiser in partnership with Kellogg's

Below: STV Children's Appeal 2024
Telefundraiser hosted by Lorraine Kelly

Base: Channel takeover
Pupils from St Andrews RC Secondary School become STV's continuity announcers

In 2024, we raised over £2.4m to provide essential support to children and families in Scotland.

Sustainability

Progress has been achieved against all of our 2024 targets as we reduce the carbon impact of our business and encourage colleagues to work in more sustainable ways, becoming an increasingly environmentally conscious organisation. As targets for 2024 have been delivered, new commitments building on this progress have been introduced to ensure further progress in 2025 and beyond.

Progress against targets in 2024 on our journey towards net zero carbon

Target	Measures	Progress
Continue to increase disclosure and transparency	Compliance with additional reporting requirements arising from the International Sustainability Standards Board.	Achieved. Further enhanced in 2024 Annual Report and Accounts.
	Undertake assessment of STV's impact on biodiversity and development of a policy, as appropriate, to support becoming a nature positive business.	Assessment concluded that biodiversity impacts are negligible. No further action required.
	Continued review of sustainability-related risks through the Group's risk management framework.	Achieved. Risk review process enhanced through scenario analysis exercise undertaken in late 2024/early 2025.
Sustainability at the heart of the business	Introduce emissions reductions targets: • Scope 1 and Scope 2 on a market-based approach, reduce by 73.6% by end 2025 (from 2019 as base year). • Scope 3 emissions reduction target to be defined.	Target set for end of 2025. Targets introduced and quarterly monitoring established to track performance. By end of 2024, Scope 1 and Scope 2 reduced by target, 73.6%, on a like-for-like basis. During 2024 a key requirement was to rebase the baseline data to reflect growth through acquisition in STV Studios.
	Introduce climate content target in STV News programming to increase sustainability focused editorial across all platforms.	Due to change in programme strategy with no dedicated sustainability series produced for STV in 2024, *Scotland Tonight* provided additional editorial. Tracker introduced in early 2025.
	Maintain Project albert certification on 100% of UK-produced programming from STV Studios by end of 2024 and all programming produced by STV News.	Achieved.
Reduce energy consumption	Continued energy reduction measures to be identified.	Achieved. Review of property portfolio created new opportunities.
	Continued engagement with DIMPACT to progress analysis of data collected to date.	Not achieved. Decision taken not to progress with DIMPACT in 2024.
	Introduce refreshed Business Travel Policy.	Achieved.
	Maintain business travel at 50% of 2019 level.	Achieved.
Waste reduction	100% waste recycled at all locations under the STV's control* in 2024.	Achieved.
Using STV's reach to promote sustainability	Delivery of dedicated sustainability series on STV during Sustainable Scotland Week during 2024.	Successful campaign delivered during Sustainable Scotland Week using promotional airtime and STV News and current affairs programming.
Achieve a sustainable supply chain by 2030	Complete introduction of sustainability criteria for all Tier 1 suppliers with continued collaboration across entire supplier base.	Achieved.
	Participate in the Climate Disclosure Project (CDP) in 2024.	Achieved. Rating of C.
Our culture	'STV Zero hero' behaviour change campaign to continue as key theme of internal communications through 2024, including progressing sustainable commuting.	Achieved.

* Pacific Quay; Aberdeen; Balmore storage site.

Improving measurement and disclosure to increase transparency

Demonstrating the impact of STV Zero in reducing the climate footprint of the business remains of the upmost importance to provide assurance and clear evidence of progress to all stakeholders.

With the introduction of Scope 1 and 2 emissions reduction targets from 2024, analysis took place to rebase data to incorporate the increased scale of the business following the acquisition of Greenbird Media and the increased shareholding in Two Cities Television and Hello Halo.

Below: ***Scotland Tonight***
A discussion on the issue of fast fashion

Base: STV Zero Heroes
Colleagues participating in a community litter pick event

The target for the end of 2025 will remain to achieve a 72% reduction against the 2019 baseline. If achieved, this will represent a reduction of 24 tCO_2 against the 2024 actual. A key contributor to the achievement of the 2025 target is the conversion of 25% of vehicles in the STV News fleet to electric vehicles (EVs). Despite the roll out of this now expected to be longer term due to the excessive cost of EVs, we have decided to maintain the 2025 target.

ESG report

Sustainable Scotland Week

STV's Sustainable Scotland Week – an annual cross platform mission to inspire viewers to live more sustainably – returned for its second year in September, following a successful launch in 2023. Across the week, the takeover saw a series of short form features broadcast throughout the channel's schedule, offering practical and actionable tips for viewers to make small, green lifestyle changes.

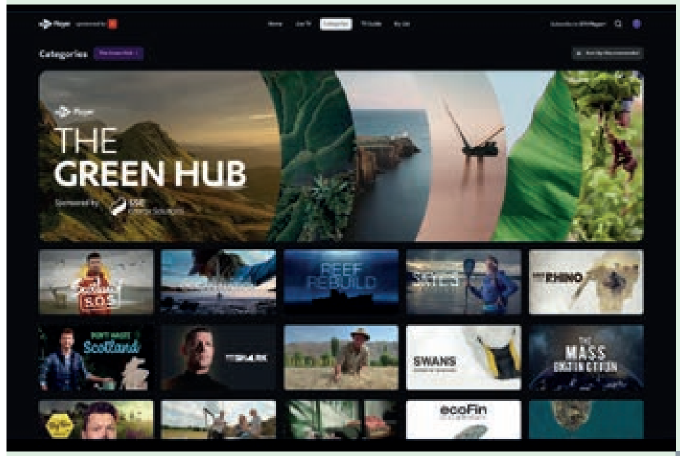
STV brand idents for the channel were updated, with each one showcasing green-themed activities and viewers doing their bit for the planet. Our news and current affairs team also reported on topical climate issues, including the production of a special edition of *Scotland Tonight* exploring the issue of fast fashion waste. A dedicated 'Green Hub' was created on STV Player, featuring a range of insightful, sustainability-focused programming produced by filmmakers from around the world, including *Jimmy's Big Bee Rescue*, which saw presenter and farmer Jimmy Doherty showing how we can all make a difference in reversing Britain's rapidly declining bee population.

The 2024 Sustainable Scotland Week was sponsored by SSE Energy Solutions, who supported short features in promotional airtime across the week and beyond.

It's important to us that our activity has purpose and cut-through. ScotPulse conducted research following this year's Sustainable Scotland Week and found the following:

- 83% of respondents welcome small practical ideas to reduce their carbon footprint.
- 75% of Scots think STV should be raising awareness of these issues to its viewers.
- 72% are likely to make more environmentally conscious choices after seeing Sustainable Scotland Week on STV.

The multi-platform takeover runs as part of our wider STV Zero sustainability strategy, launched in 2021 to encourage viewers, colleagues and partners to join in creating a more sustainable society – and is an ethos that runs throughout the entire business. In September, staff at the broadcaster's HQ joined around 300 people from other businesses, schools and community groups in the local area to clean up nearby streets. In addition, more than 150 bags of litter have been picked up by STV volunteers since regular litter-picks were introduced by the business two years ago.



Sustainable Scotland Week aims to inspire viewers to live more sustainably.

Above: The Green Hub
A carousel of sustainability-focused programming on STV Player

Right: *STV News at Six*
A special edition programme dedicated to the energy transition

The reduction in Scope 1 and 2 emissions achieved in 2024 is due to the implementation of a range of measures including:

- Co-locating the STV Studios' London-based teams in one office.
- Relocating the Inverness office to a smaller unit.
- Continuing to implement energy efficiency measures, including a reduction in the ambient temperature in Pacific Quay by a further 1°C to 18°C.
- The full year impact of maintenance undertaken on the cooling system in 2023, which has improved its efficiency.

The risk review process was enhanced to include climate scenario analysis. Aimed at enhancing an organisation's strategic resilience and responses to the risks it faces, this analysis is a requirement under the Taskforce for Climate-Related Financial Disclosures. Full details of the approach taken and conclusions of this exercise are set out on page 65.

The Sustainability Governance Structure (details on pages 62 and 63) defines clear accountability and a structured method to ensure consistency of approach to evaluate progress against targets.

Sustainability at the heart of the business

Project albert accreditation on the programmes we make is an industry standard and the efforts of our production teams in achieving accreditation demonstrates the extent that sustainable practices are embedded in our ways of working. All news and current affairs programming produced by STV News has received albert certification for a third consecutive year.

Our Creative team has begun to introduce the Ad Green Carbon Calculator into the campaigns it develops and delivers, to measure their carbon impact and develop emission reduction action plans. The team was a founding member of Ad Net Zero.

Our internal comms campaign – *Be an STV Zero Hero* – continued during 2024 with opportunities for colleagues to increase their understanding, participate, celebrate Sustainable Scotland Week, attend information sessions with external speakers and sustainability activists, and get involved in litter picking to improve the environment in the locale of our office locations.

Reducing our energy consumption

95% of our electrical energy is secured from renewable sources and our focus in 2024 has been to reduce overall consumption aligned with our Scope 1 and 2 emissions reduction targets. An investment programme in 2023 to optimise the efficiency of the cooling system at our Pacific Quay headquarters, delivered its first-year payback contributing to our headline energy reduction. We continue to assess the cost benefit analysis of further investment to deliver long-term savings, including the potential to install solar power at our Pacific Quay Headquarters.

Waste reduction

In 2024, 100% of waste from all locations under STV's control was recycled. As we have made changes to our property portfolio during 2024, we have sought opportunities to take a circular approach to waste reduction working in partnership with local organisations to recycle or upcycle our surplus office equipment.

Using STV's reach to promote sustainability

Sustainable Scotland Week delivered a multi-platform takeover encouraging viewers, colleagues and partners to make more sustainable choices and increase awareness. Using our privileged position as a public service broadcaster enables us to use storytelling to inspire viewers to adopt more sustainable lifestyles and this year's campaign reached over 1.3m viewers.

The campaign included specially commissioned research, programming and promotions. Further details and the impact of the campaign are set out on page 58.

Achieve a sustainable supply chain by 2030

During 2024 a set of sustainability criteria for Tier 1 suppliers was developed in collaboration with industry peers. Through this work we have developed a 'Code of Conduct' for suppliers that extends beyond sustainability to cover other aspects of ESG. By the end of 2025 the target is to have Tier 1 suppliers engaged on terms that include the code of conduct.

Our 2024 submission to the Carbon Disclosure Project (CDP) was scored C (2023 submission: B). This rating confirms that we understand the links between environmental issues and our business activities and assessment of measures taken is evident in some areas. Through CDP, we are benchmarked against companies globally assessing environmental practices with a focus on supply chain and emissions monitoring. The rating of C recognises that the environmental impacts of the business have been addressed and that there is good evidence of environmental management.

Looking ahead

Our targets for 2025 and beyond will ensure continued focus and awareness of our priorities. These targets have been incorporated into our corporate objectives and cascaded through the organisation for tracking and reporting in 2025.

ZERO
Net Zero Carbon Emissions by 2030

STV Zero: Aligning with external initiatives and benchmarks

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

We have reported our climate disclosures in line with the Task Force on Climate-related Disclosures (TCFD) since 2021 and in 2024 extended this to meet the requirements of the Climate-related Financial Disclosure (CFD). Refer to pages 62 to 67 for this year's report.

ALBERT Certified Production

Project albert is the leading screen industry organisation for environmental sustainability. Albert supports the film and TV industry to reduce the environmental impacts of production and to create content that supports a vision for a sustainable future. STV is a consortium member of Project albert working in collaboration with industry peers to share, learn and act for a sustainable industry future. In 2024, all programmes produced by STV Studios in the UK achieved albert certification. Refer to page 59 for details.

CDP

The Carbon Disclosure Project runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts and is recognised as the gold standard of environment reporting with the most comprehensive dataset on corporate and city sustainability-related action. Our disclosure in 2024 was our third submission since 2022 and was rated 'C' which recognises that the environmental impacts of the business have been addressed and there is good evidence of environmental management. Refer to page 59 for details.

Other external initiatives and benchmarks we engaged with during 2024 include:

FTSE4Good

STV is a FTSE4Good Constituent of the FTSE4Good Index

AD NET ZERO ALL FOR NONE

Supporter and Member of Ad Net Zero since 2022

Below: One small thing
STV's promo campaign highlighting practical, sustainable tips

Right: Changing coastlines
Scotland Tonight explores the issue of coastal erosion

Targets – 2025 and beyond

Objective	Target	Timescale for delivery
Our culture with sustainability at the heart of the business	Deliver first phase Scope 1 and 2 emissions reduction targets by 72% by end of 2025 (from 2019 as base year on a market-based approach) and introduce Scope 3 emissions reduction targets by end of 2025.	Target set for end of 2025
	Maintain Project albert certification on 100% of UK-produced programming from STV Studios by end of 2025 and all programming produced by STV News.	Ongoing
	STV Zero Hero behaviour change campaign to continue as key theme of internal communications throughout 2025, including introduction of sustainable commuting options into employee benefits offering to support achievement of Scope 3 reduction target.	Ongoing
Reduce energy consumption	Continued energy reduction measures to be implemented.	Ongoing
	Maintain business travel at 50% of 2019 level.	End of 2025
Waste reduction	Maintain 100% recycled waste at locations under STV's control* in 2025.	Ongoing
Using STV's reach to promote sustainability	(In the absence of a dedicated sustainability series on STV during 2025) during Q1 identify opportunities to engage with audiences and advertisers to promote sustainable lifestyle choices using STV's reach and influence and implement activities across the year.	Agree activity programme by end Q1 Ongoing
Achieve a sustainable supply chain by 2030	By end of 2025, all Tier 1 suppliers to be engaged on terms of STV's supplier code of conduct.	Ongoing
	Participate in Climate Disclosure Project (CDP) in 2025.	H2
Effective governance, disclosure and transparency	Compliance with additional reporting requirements arising from the International Sustainability Standards Board in 2025 Annual Report and Accounts.	2025 and ongoing
	Undertake scenario analysis to evolve TCFD Reporting in 2024 ARA.	Q1
	Continued review of sustainability-related risks through the Group's risk management framework.	Ongoing activity to mitigate risk during 2025

* Pacific Quay; Aberdeen; Balmore storage site.

ESG report

Climate-related Financial Disclosures report

Compliance Statement

STV Group plc has complied with the requirements of UK Listing Rule 6.6.6(8)R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures.

These climate-related financial disclosures also comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Governance

The Company's governance structure in relation to climate-related matters is set out to the right. This structure identifies the key responsibilities at all levels in the organisation and clarifies accountability for governance.

As part of its annual Board evaluation process, which included an assessment of the effectiveness of the ESG Committee, it was agreed that this structure enhances overall Board governance in ESG matters and is considered to be appropriate and operating effectively. In providing its annual approval of the sustainability governance structure, the Board has continued to consider its own expertise and experience in this area. Directors are comfortable that there is sufficient experience among existing members of the ESG Committee, and Board, for the short to medium term. Notwithstanding this, it forms part of the normal succession planning undertaken for Non-Executive Directors to consider the developing skills and experience of the Board against an evolving landscape, of which climate-related experience is one factor.

The ESG Committee has received three reports over the course of 2024 covering a wide range of matters in relation to sustainability and climate-related risks and opportunities, including (i) progress against operational targets set for 2024 and proposed targets for 2025 that are aligned towards reducing the Group's carbon footprint; (ii) the Group's governance structure; and (iii) identification and assessment of emerging and existing climate-related risks and opportunities. The Group's Risk Impact Heat Map – the framework against which the significance and likelihood of each identified risk must be scored – includes specific criteria for sustainability risks.

Across the organisation, managers have sustainability targets incorporated into their personal objectives for bonus purposes. The Remuneration Committee is responsible for approving the strategic and personal objectives of the Executive Directors, on which an element of variable pay is dependent, and which ESG matters more broadly, and sustainability specifically, are a key component. On a quarterly basis, and as part of routine risk reviews, managers are responsible for assessing and managing climate-related risks and opportunities within their business area. Additionally, managers are responsible for ensuring appropriate action is being taken to deliver the STV Zero strategy as it relates to areas within their control.

Reports on sustainability related issues, including progress against targets, have been delivered and discussed at divisional board meetings, and at meetings of the Management Board.

Strategy

The Group has identified several climate-related risks and opportunities over the short, medium and long term. In assessing the significance of each it has defined 'materiality' as an impact on the business that limits our ability to carry out our operations, and/or requires a change to our business model, and/or has a significant impact on our liquidity thereby limiting our ability to invest or meet obligations as they fall due.

In terms of the risk assessment, transition and physical risks were considered – transition risks being those that are associated with the transition to a low carbon economy, and physical risks being those that are associated with the physical impacts of a changing climate. In carrying out this assessment, we considered three time periods: the short term, being the next financial year (2025); the medium term, being the period of our Group 3 Year Plan (through to the end of 2027); and the long term, from 2028 to 2030 (with 2030 our current target date for becoming a net zero carbon business). These time periods were considered relevant in the context of the Company's business planning cycle, investment plan, financing facility and its strategy to transition to a net zero carbon business by 2030.

In terms of physical climate-related risks, our operations are based in the UK with limited physical presence elsewhere. Therefore, we consider the risk of severe weather events and their impact on our properties and wider operations to be low risk. In the last 3 years we have undertaken a flood risk assessment at our Pacific Quay offices in Glasgow, which are on the banks of the River Clyde, that determined that a 1-in-200 year event of flood waters reaching 1m would have a limited impact on the building due to the level of the interiors being further above the external ground level. Flood levels of 1.5m would need to be reached for the building's defences to be breached, which is the equivalent of a 1-in-1,000 year event.

In terms of transition risks and opportunities, we identified a number that have been assessed as being of minor concern as they are either unlikely to materialize or they are of low materiality for our business. The risks identified below are those we consider to be most significant, and we have assessed them on a division-by-division basis. As the Group operates predominantly in the UK, a breakdown by geography is not considered material or relevant. The risk scores in the table below are on a gross risk basis only – as we continue to develop and refine our related risk management activities we will look to expand our disclosure to include net risk scores. We will continue to keep these risks under review, and to evaluate market trends over time and by division, where appropriate.

STV: Sustainability governance structure

PLC Board – meets at least 7 times each year

Responsible for:
- Ensuring the effective delivery of STV Zero targets
- Reviewing key climate-related risks and opportunities and overseeing mitigation strategies as part of the regular review of principal and emerging risks
- Considering sustainability as part of stakeholder engagement
- (Remuneration Committee) Setting sustainability-related targets in executive incentive arrangements

Environmental, Social and Governance (ESG) Committee – meets at least 3 times each year

Responsible for:
- Making recommendations to the Board on all aspects of the sustainability strategy, STV Zero
- Oversight of the establishment of sustainability-related policies and codes of practice and their implementation
- Reviewing external assurance of sustainability matters
- Reviewing the objectives, targets and key performance indicators relating to STV Zero
- Ensuring the Group continues to deliver a positive social impact to support long-term shareholder and stakeholder values

Audit & Risk Committee – meets at least 3 times each year

Responsible for:
- Supporting the Board in its responsibilities for sustainability, including:
  - (Shared with the ESG Committee) Overseeing compliance with, and progress on, sustainability reporting
  - Overseeing the Company's reporting of environmental data and its accuracy and completeness
  - Ensuring sufficient, appropriate assurance is obtained in relation to numerical sustainability reporting

Management Board – meets weekly

Responsible for:
- Reviewing and monitoring climate-related risks and related mitigating actions on a bi-annual basis, as part of routine risk reviews, and determining whether the net risk is within Board-approved risk appetite
- Ensuring appropriate action is being taken to achieve the STV Zero strategy, through review of quarterly reporting on climate-related issues, including metrics and targets

Divisional Boards – meet monthly

Responsible for:
- Identifying all climate-related risks and opportunities and developing appropriate mitigation strategies
- Monitoring progress against divisional emissions reduction plans and identification of remedial actions required should sufficient progress not be achieved
- Studios and Broadcast – tracking Project albert carbon action plans to ensure achievement of accreditation for all STV-produced programming

Sustainability Group – meets monthly

Responsible for:
- Promoting and championing sustainable behaviours across the Group
- Embedding a positive climate culture across the Group

ESG report

Time horizon					
Short term	Medium term	Long term	Potential impact	Division	How we manage risks
L	L	L	Failure to maintain albert accreditation for STV News	B	• Proportion of programmes that qualify is tracked • Review of progress at News Leadership meetings • Process and controls embedded in day-to-day operations
L	M	M	Failure to attain albert accreditation for programmes produced for third parties	S	• Proportion of programmes that qualify is tracked and reported at divisional board meetings • Roll-out of training by albert
L	L	L	Energy price inflation, particularly electricity, remains elevated	G	• Third party energy consultant used to provide advice on optimal contractual arrangements for the Group to maximise climate credentials and manage cost
L	M	+	Government policy decision prevents advertising by high carbon products or services	B, D	• Engage with UK and Scottish governments on regular basis to put forward STV perspective on potential policy decisions • STV Green Fund introduced to offer match-funding to businesses with 'green' credentials
L	M	M	Failure to maintain momentum in embedding sustainable behaviours across the business results in delays to reducing carbon footprint	G	• Active engagement with the Sustainability Group • Regular events to encourage employee engagement • STV Zero targets shared Group-wide, sponsored by the CEO
+	+	+	Using STV's position as a public service broadcaster to raise awareness	B, S	• Specific programming including current affairs on climate-related matters • STV Green Fund to make advertising on TV affordable to 'green' businesses • Signatory of the Climate Content Pledge with other UK PSBs

Key:
L = low risk; M = medium risk; H = high risk (being those that would be material as defined)
+ = opportunity B = Broadcast; D = Digital; S = Studios; G = Group-wide

Resilience
The Group undertook its first climate-related scenario modelling during 2024 and considered the potential impact of climate risk on the business in three different future scenarios. While some impacts of climate change are apparent in the short term, the most significant effects are likely to emerge over the medium to long term.

For the scenario analysis, we used a range of climate scenarios from the International Energy Agency (IEA) and Network for Greening the Financial System (NGFS), which are widely accepted as good practice. The three scenarios chosen cover three futures that are considered possible from where we are today:

- The IEA 'Net zero emissions' scenario, in which net zero emissions are achieved by 2050 and the average temperature rise is limited to 1.5°C above pre-industrial temperatures;
- The NGFS 'Delayed transition' scenario, in which no new climate policies are introduced between now and 2030, giving a 67% chance of limiting global warming to below 2°C; and
- The IEA 'Stated policies' scenario, in which there's some but not complete decarbonisation based on current stated policies, and temperature rises reach 2.6°C by 2100.

We conducted quantitative modelling, using the assumptions from these scenarios and our own growth plans, focusing on key milestones: 2030 for our business and 2050 for medium-term climate impact. The results are detailed in the table.

	2030	2050
IEA 'Net zero emissions' scenario	Negligible impact on profitability	Negligible impact on profitability
NGFS 'Delayed Transition' scenario	Negligible impact on profitability	Negligible impact on profitability
IEA 'Stated Policies' scenario	Negligible impact on profitability	Negligible impact on profitability

STV defines resilience as the ability to continue our business operations and achieve our strategic objectives using profitability as a key metric.

In each scenario, there is a negligible (<1%) impact on profitability as a result of energy price rises and/or carbon taxes. The key risks are primarily mitigated by climate action taken and planned by the Group. We have therefore concluded, with approval from the ESG Committee and Board, that the Company, its strategy and business model is resilient in the face of climate-change related risks in the short and medium term.

Given we have not identified any material climate-related risks and scenario-modelling confirms the business is resilient in the face of such risks, there is no material impact to reflect in the financial statements.

Risk management

The identification, assessment and management of climate-related risks and opportunities is undertaken throughout the business, with subsidiary/divisional management teams responsible for these activities in their own business and then the Management Board, ESG Committee and Board of Directors taking a Group-wide perspective.

The identification, assessment and management of climate-related risks has been embedded into the Company's risk management and internal control processes and forms part of the routine risk reviews and Board Committee reporting in place across the business. A Risk Impact Heat Map with specific criteria for sustainability risks is used by those charged with governance to ensure potential risks are considered and measured in a way consistent with other identified risks across the Group.

Detailed reporting on the Group's risk management framework has been included in the Risk Management report on pages 33 to 41.

The Management Board is actively engaged in climate-related risk management activities, with regular discussions on the status of achievement of targets and identification of follow-up actions required. Divisional action plans have been developed to drive accountability for making the changes necessary to achieve our short-term and long-term targets, and to ensure we are managing the potential impact of climate-related risks and opportunities in a timely and effective manner.

Each divisional action plan has specific targets that relate to the activities of the division. Designed to increase focus on adopting new ways of working to reduce the Company's carbon impact, targets include training and sustainability awareness; measurement of business travel; and incorporating a carbon calculation into production processes.

Metrics and targets

The fourth pillar of the TCFD Framework (recommended disclosure (b)) requires disclosure of Scope 1, Scope 2 and Scope 3 Greenhouse Gas (GHG) emissions, and related risks. The Group's Streamlined Energy and Carbon Reporting (SECR) forms the last section of this report and can be found on pages 66 and 67. This shows the Group's Scope 1 and Scope 2 GHG emissions for the current and prior year, and nine of the 15 categories of Scope 3 GHG emissions (noting that five are not applicable to STV), where data can be obtained and measured reliably. There is only one category of relevant scope 3 emissions that we have not reported on in 2024 and we do not consider this to be material under the definition of TCFD. In FY22, we set medium term carbon reduction targets for Scope 1 and Scope 2 for the period to the end of 2025 and further details are included in the SECR report, along with a summary of risks to achieving those targets.

The Group has achieved carbon neutrality for each year since FY21.

The metrics and targets that we use to assess our progress towards achieving net zero carbon are targets aimed at reducing our carbon impact in the five key areas identified in STV Zero: energy consumption; waste reduction; programme making; promoting sustainability using STV's reach; and achieving a sustainable supply chain. In turn, these targets will only be achieved if we successfully embed a sustainability culture into the business. We have included an update on the STV Zero targets that we set ourselves for 2024 on page 56, along with an overview of the new targets we are working towards in 2025 on page 61. That narrative also includes details of the KPIs that we measure to assess progress towards achievement of targets.

A summary of the Group's reporting against TCFD's cross-industry metrics reporting categories is provided below. Where the Group is not yet tracking against a metric or target, an explanation is provided on its intentions going forward.

	Metric	Target
GHG emissions	STV reports its GHG inventory breakdown as well as its emissions intensity – see narrative above and SECR below	STV Zero sets out our emissions reduction targets – see SECR below and pages 56 to 67
Transition	For an overview of metrics and targets in relation to our net zero carbon strategy, STV Zero, refer to pages 56 to 67 Specifically in relation to the climate-related risks and opportunities identified in the 'Strategy' section of this report, we measure the number of programmes produced by STV News and STV Studios (separately) that achieve albert accreditation. Our target is to achieve 100% In FY24, we achieved 100% of all programming from both STV News and STV Studios, with 100% being achieved in FY23	
Physical	As outlined in our TCFD strategy section, we currently have no material physical risks	We will continue to monitor feedback from our insurers and will develop metrics if appropriate
Climate-related opportunities	The main opportunities for the Group are in relation to bringing new advertisers with 'green' businesses to television to promote their brands. We monitor the number of businesses who receive matched-funding from our STV Green Fund, but we don't have a metric or target in relation to the number of 'green' businesses booking campaigns with STV as the scale of most local advertisers is below the threshold for climate-related reporting.	
Capital deployment	Not currently reported	Will be further developed if deemed material and relevant
Internal carbon prices	Not currently reported	Will be further developed if deemed material and relevant
Remuneration	See TCFD Governance disclosures on page 62 and the Directors' Remuneration Report (pages 92 to 105)	

ESG report

Streamlined Energy and Carbon Reporting (SECR) – based on data for the year ended 31 December 2024

In line with the GHG Protocol Corporate Standard, the Company's SECR is based on the disclosure of emissions from operations over which it has direct financial and operational control. As the Company is registered in the UK with no operations overseas, all emissions derive from UK-based activities. These Scope 1 and Scope 2 emissions are set out in the table on page 67.

In July 2023, the acquisition of Greenbird Media was completed. The data in this report incorporates that of the acquired businesses within the former Greenbird Media group and others in which STV has majority control, namely: Crackit Productions Limited; Tuesday's Child Limited; Interstellar Productions Limited; Rumpus Productions Limited (majority control on 17 July 2024); Hello Halo Productions Limited (majority control 30 August 2024) and Two Cities Television Limited (majority control on 30 January 2024). In the case of Two Cities Television Limited data is recorded for Scope 1 and Scope 2 emissions only.

A dual reporting approach to emissions associated with the Company's grid electricity consumption (Scope 2) has been used to disclose both a location-based and market-based figure.

Previously, in 2022, we assessed the relevance of each of the fifteen Scope 3 emissions categories and concluded that nine of them were relevant to STV. In 2023 further detailed work was completed to collect and analyse more data resulting in one of the previously eliminated categories of emissions – investments (category 15) – being brought into scope. This report covers nine of the relevant ten emissions categories. We have not reported against the emissions arising from the distribution of our digital services via STV Player – use of sold products (category 11) which we expect to include in next year's report.

A key target for 2024 which was achieved was to maintain Project albert accreditation for all UK produced programmes made by majority controlled labels within STV Studios and news and current affairs programming produced by STV News.

On a market-based approach, combined Scope 1 and Scope 2 consumption decreased 11.2% year on year and emissions reduced by 11.3%. Scope 1 consumption decreased by 13.8% and emissions reduced by 12.2% due to improved operation and efficiency of the boiler at Pacific Quay following a maintenance programme undertaken in 2023. Scope 2 consumption reduced by 9.7% and emissions reduced by 5.8% on a market-based approach. Energy efficient measures introduced in the year included co-locating our London offices; relocating to a new, smaller office in Inverness; reducing the ambient temperature in Pacific Quay to 18°C; installing LED lighting in the stairwells and lifts in Pacific Quay; and encouraging colleagues in the Aberdeen office to turn off radiators when leaving the building.

Methodology

The methodology used to calculate the 2024 emissions is the GHG Protocol Corporate Standard. In addition, the 2019 HM Government Environmental Reporting Guidelines: Including SECR Guidance and the 2024 UK Government's Conversion Factors for Company Reporting have been used.

For Scope 1 emissions, estimated emissions data has only been used for one office location, in Glasgow (Otago Street), where emissions are based on spend data with the corresponding emission factor sourced from the UK Footprint Results (1990-2021). The total estimated Scope 1 emissions amount to 1.7% of the total reported Scope 1 emissions (0.6% of the total reported Scope 1 and Scope 2 emissions).

For Scope 2 emissions, estimated emissions data is for electrical energy consumed in the offices in Inverness and the offices of the majority held labels located in Brighton, Manchester, Belfast, and Glasgow (The Hub and Otago Street). For all properties listed above the estimated consumption is based on the square footage of these locations and all are used for the same purpose as the Company's other office premises. The total estimated Scope 2 energy emissions amount to 5.3% of our total reported Scope 2 emissions (3.4% of the total reported Scope 1 and Scope 2 emissions).

The calculations for Scope 3 emissions for categories 1, 2, 4, 8 and 15 are based on spend data with the corresponding emission factor sourced from the UK Footprint Results (1990-2021 Dataset) for 2024 emissions. For historical 2023 emissions, the UK Footprint Results (1990-2020 Dataset) which provides conversion factors by SIC (Standard Industrial Classification) code has been used. For the Scope 3 category of waste generated in operations (category 5); we have increased the number of properties where we can calculate our waste from five in 2023 to six in 2024. The additional property is a multi-use office, and an estimate has been calculated as a percentage of STV office space against the total office space. For the Scope 3 category of commuting (category 6), a questionnaire was issued to all colleagues to collect data on the modes of transport used to commute to work; the distance of their commute and the typical working pattern of days worked in the office. The survey had a high response rate of 78% providing a reliable data source. Emissions were calculated using the UK Government's 2024 Conversion factors.

Emissions targets

Medium term targets for combined Scope 1 and Scope 2 emissions to the end of 2025 were set in 2022, using 2019 as a baseline. These were set prior to the acquisition of the companies referenced above. On a like for like basis, in 2024 a reduction of 73.6% (equivalent to 884 tCO_2) was achieved. This decrease was driven by the transition to renewable energy at the office locations where we directly control energy supply. This is ahead of the target tracker for end of 2024 of a reduction of 70.1% (equivalent to 841 tCO_2). The target for the end of 2025 is to reduce emissions by 841 tCO_2; the equivalent of a 72.1% reduction on 2019 levels. This target has already been exceeded in 2024, driven by a reduction in gas emissions arising from energy efficiency measures introduced at Pacific Quay. During 2025 we expect to set long-term targets for Scope 1, Scope 2 and Scope 3 emissions in 2030.

Scope			Unit	2024	2023
1		Emissions from gas, refrigerants and owned vehicles	tCO_{2e}	**313.30**	356.94
			kWh	**1,598,848**	1,854,992
2	Location-based	Electricity emissions using geographical location	tCO_{2e}	**603.74**	668.70
			kWh	**2,915,946**	3,229,297
	Market-based	Electricity emissions using purchased electricity factor	tCO_{2e}	**60.26**	63.99
			kWh	**2,915,946**	3,229,297
1 & 2	Location-based	Electricity emissions using geographical location	tCO_{2e}	**917.04**	1025.64
			kWh	**4,514,794**	5,084,289
	Market-based	Electricity emissions using purchased electricity factor	tCO_{2e}	**373.56**	420.93
			kWh	**4,514,794**	5,084,289
Total revenue			£m	**188.0**	168.4
Total Scope 1 & 2 intensity ratio (location-based)			tCO_{2e} per £m	**4.88**	6.09
Total Scope 1 & 2 intensity ratio (market-based)			tCO_{2e} per £m	**1.99**	2.50
3 (cat 1)		Purchased goods and services	tCO_{2e}	**16,232.20**	18,170.16
3 (cat 2)		Capital goods	tCO_{2e}	**210.29**	246.16
3 (cat 3)		Fuel and energy related activities	tCO_{2e}	**258.97**	273.76
3 (cat 4)		Upstream transportation and distribution	tCO_{2e}	**76.39**	100.25
3 (cat 5)		Waste generated in operations	tCO_{2e}	**7.01**	7.38
3 (cat 6)		Business travel	tCO_{2e}	**188.81**	177.96
3 (cat 7)		Employee commuting	tCO_{2e}	**243.93**	275.79
3 (cat 8)		Upstream leased assets	tCO_{2e}	**0.00**	0.01
3 (cat 15)		Investments	tCO_{2e}	**11.79**	10.26
Total Scope 3 emissions			tCO_{2e}	**17,229.39**	19,261.73
Total Scope 1, 2 and 3 (market-based)			tCO_{2e}	**17,602.95**	19,682.66

ESG report

Non-financial and sustainability information statement

The table below sets out where stakeholders can find information in our Strategic Report that relates to non-financial and sustainability matters as detailed under section 414CB of the Companies Act 2006.

Reporting requirement	Some of our relevant policies which govern our approach	Where to read more in this Strategic Report about our impact, including the principal risks relating to these matters	Pages
Environmental matters	• STV Zero, our sustainability strategy • Travel Policy	• ESG report • Climate-related Financial Disclosures report • Risk management • Engaging with our stakeholders (S.172 report)	47 to 68 62 to 67 33 to 41 42 to 46
Employees	• Equality, Diversity and Inclusion Policy • Business Ethics Policy • Respect & Dignity at Work • Health & Safety Policy	• ESG report • Risk management • Governance • Engaging with our stakeholders (S.172 report)	47 to 68 33 to 41 69 to 105 42 to 46
Social matters	• Diversity and Inclusion Strategy • STV Children's Appeal commitment • Payroll Giving	• Engaging with our stakeholders (S.172 report) • ESG report • Governance	42 to 46 47 to 68 69 to 105
Respect for human rights	• Modern Slavery Statement • Data Protection Policy • Producer's Handbook • Information Security policies • Social Media Policy	• Operating reviews • Engaging with our stakeholders (S.172 report) • ESG report	12 to 29 42 to 46 47 to 68
Anti-bribery and anti-corruption	• Business Ethics Policy (including Anti-bribery and Gifts & Hospitality) • Whistleblowing Policy • Share Dealing Code	• Risk management • Governance	33 to 41 69 to 105
Business model		• Business model	10 and 11
Principal risks		• Risk management	33 to 41
Non-financial KPIs		• Operating reviews • ESG report	12 to 29 47 to 68
Climate-related financial disclosures	• STV Zero	• Climate-related Financial Disclosures report • Risk management • Remuneration report	62 to 67 33 to 41 92 to 105

The Strategic report was approved by the Board and signed on its behalf by:

Rufus Radcliffe
Chief Executive
11 March 2025

Introduction to governance

On behalf of the Board, I am pleased to present the Corporate Governance report for the financial year ended 31 December 2024.

Board oversight of strategy

Starting in the second half of 2023 and continuing into early 2024, the Board was focused on engaging with the Executive Directors, Management Board and external advisors on the strategic planning process to shape the next phase of the Group's strategy. The updated 3 Year Strategic Plan for 2024 to 2026 was presented to the Board in February 2024 and was duly approved. The key strategic objectives and accompanying financial and non-financial KPIs were set out for investors in March 2024. Throughout the rest of the year the Board continued to be heavily engaged with the Executive Directors and Management Board in overseeing implementation of the plan, including continual assessment of the changing environment the business is operating in and the need to adjust and reprioritise strategic actions accordingly.

Board changes

As mentioned in my Chairman's statement, there were a number of changes to the Board during the year with three Directors stepping down from their roles.

The main change at Board level was the announcement that Simon Pitts, our Chief Executive would step down. After a thorough and considered process by the Nomination Committee, in which all Board members participated, we are delighted to have appointed Rufus Radcliffe with effect from 1 November 2024.

The Board also recognised Lindsay Dixon's valuable contribution to the Company as she has evolved and broadened her role, taking on increased responsibilities, and in April 2024 she was promoted to an expanded role of Chief Financial & Operating Officer.

During the year, Ian Steele, Independent Non-Executive Director and Chair of the Audit & Risk Committee, and Simon Miller, Senior Independent Director and Designated Non-Executive Director for Workforce Engagement, retired from the Board. The Nomination Committee assisted the Board in finding a successor to Ian and in September 2024, Colin Jones was appointed as Independent Non-Executive Director and Chair of the Audit & Risk Committee. In consideration of the Board's aim to run a slightly smaller Board going forward, Colin Jones also succeeded Mr Miller as Senior Independent Director, with David Bergg, Independent Non-Executive Director and Chair of the ESG Committee, succeeding Simon Miller as Designated Non-Executive Director for Workforce Engagement.

The Nomination Committee also oversaw a series of changes to the Board Committees' compositions during the year, as described in the Nomination Committee report on pages 82 to 85.

Following these changes, the Board comprises myself as Chair, four Independent Non-Executive Directors and two Executive Directors, ensuring we have retained a clear majority of Independent Non-Executive Directors in accordance with the UK Governance Code 2018. The Board also met the UK Listing Rules targets on board diversity as at 31 December 2024. A table showing the gender balance and ethnicity of the Board and Executive Committee is on page 73. We reflect on diversity with the widest possible meaning, to also include variations in skills, experience, cognitive thinking and background as well as gender and ethnicity, whilst ensuring that all Board appointments are made on merit.

The Board is fully engaged in planning for future succession needs of the Group.

Stakeholders

The Board values engagement with stakeholders. For practical reasons, most stakeholder engagement takes place between the Company's subsidiaries and their stakeholders at an operational level. Direct engagement between members of the Board and stakeholders is principally with employees and investors. However, the Board ensures that there are effective mechanisms in place to support the continuous flow of information between the Board, Management Board, senior management and the wider organisation to enable the Board to understand the views of all our stakeholders.

Details of how the Board has oversight of stakeholder interests, together with examples of how decisions taken by the Board have impacted stakeholders during the year, are on pages 42 to 46.

Environmental, Social and Governance (ESG)

The Board has kept abreast of the progress and effectiveness of the STV Zero strategy and Diversity & Inclusion Strategy through the work of the ESG Committee. This has included support from third party specialists in relation to changing sustainability disclosure requirements and reporting frameworks. The report of the ESG Committee can be found on pages 90 and 91.

Board evaluation

A key part of my role as Chairman is to ensure the Board and its Committees operate effectively. The Board assesses its performance through an annual performance review and an internal evaluation of the Board's effectiveness was undertaken this year, which is described on page 80 and 81. The results of the evaluation concluded that the Board and its Committees continue to operate effectively.

Governance reforms

In January 2024, the Financial Reporting Council (FRC) published the UK Corporate Governance Code 2024 (2024 Code). The main changes in the 2024 Code focus on internal controls and require boards to monitor and review all material controls and to make a declaration on their effectiveness in the annual report. The 2024 Code will apply to STV for the financial year commencing 1 January 2025 (except for provision 29 in relation to risk management and internal controls, which is effective from 1 January 2026). During the year the Board and the Audit & Risk Committee monitored the forthcoming requirements and plans to ensure the Company is compliant with the provisions and principles of the 2024 Code at the appropriate time.

Looking ahead

We have established an effective governance framework, and we will continue to embrace the best governance practices to enable us to deliver value to shareholders and other stakeholders.

Finally, I would like to thank all Board colleagues for their strong contribution to the Board during 2024. I look forward to leading the Board and ensuring its continued effectiveness over the coming year.

Paul Reynolds
Chairman
11 March 2025

Board of Directors

As at 31 December 2024

Paul Reynolds
Chairman

Appointed: February 2021
Committees: Nomination (Chair); ESG

Paul has over 30 years international public-company experience as a chairman, non-executive director and senior executive, including tenures as Chief Executive of BT Wholesale, Executive Director of BT Group plc and Chief Executive of Telecom New Zealand Ltd. He is currently Chairman at Computershare (Australia) Ltd in Melbourne. He has held previous roles as Chairman of data analytics fintech, 9 Spokes Ltd, and as Non-Executive Director at TalkTalk (Holdings) Limited, the holding company of TalkTalk Telecom Group, Eircom Ireland Limited, XConnect Global Networks Ltd and Japan-based telecommunications company, eAccess Ltd. Paul is Chairman of the STV Children's Appeal.

Rufus Radcliffe
Chief Executive

Appointed: November 2024
Committees: ESG

Rufus has extensive strategic and operational experience gained in senior roles in the media sector. Rufus joined from ITV where he was Managing Director of Streaming, Interactive and Data, a member of ITV's Executive Committee, and played a key role in the acceleration of ITV's digital transformation. He was responsible for the strategic development and successful launch of ITVX and led the interactive business and the group-wide data strategy. Over a 13-year career with ITV, Rufus previously held the position of Chief Marketing Officer where he ran all Direct-to-Consumer activities and led the brand transformation of ITV, as well as the marketing launch of BritBox. He also served as Group Marketing and Research Director. Prior to joining ITV, Rufus spent nine years at Channel 4 rising to the position of Controller of Marketing, during which time the business launched E4 and the channels' first streaming service, 4OD. Rufus is a trustee of the STV Children's Appeal and Chair of the London Wildlife Trust.

Lindsay Dixon
Chief Financial & Operating Officer

Appointed: Chief Financial Officer from May 2019 and Chief Financial & Operating Officer from April 2024

Lindsay is a Chartered Accountant with extensive commercial experience gained across a range of sectors covering the FTSE 100, 250 and large private companies. Previously, Lindsay held the role of Group Financial Controller at William Grant & Sons Limited and prior to that was Group Financial Controller of The Weir Group plc. In addition to her core financial responsibilities, she has wide ranging M&A, investor relations and international experience. Lindsay qualified with Deloitte in 2002.

Colin Jones
Senior Independent Director

Appointed: Non-Executive Director from September 2024 and Senior Independent Director from December 2024
Committees: Audit & Risk (Chair); Remuneration; Nomination

An experienced FTSE-250 CFO, Colin has had a successful career in the technology, media and telecommunications sector, and was COO and CFO at Euromoney Institutional Investor Plc, the global information and events business, where he worked for 22 years. Prior to this, Colin was a Director at PwC for 15 years, working across strategy, remuneration, financing, technology and M&A in the UK and Europe. Colin is currently a Non-Executive Director and Audit Committee Chair at M&C Saatchi Plc; Non-Executive Director and Remuneration Committee Chair at Gateley (Holdings) Plc; and Non-Executive Director of Datatec Limited, a company listed on the JSE in South Africa. He was previously Chair of Centaur Media Plc. Colin is also a Governor and Trustee of adult education college, The City Literary Institute.

Naomi Climer CBE
Non-Executive Director

Appointed: May 2023
Committees: Remuneration (Chair); Nomination; ESG

Naomi has had a successful career in broadcast, media, engineering, and technology and was Vice President of Sony's European Professional Services division. Her career began at the BBC, where she trained as an engineer and later became Controller of Technology at BBC News. Before joining Sony in 2002, Naomi was Director of Technical Operations at ITV Digital. She was appointed Commander of the Order of the British Empire (CBE) for services to the engineering profession in the 2018 Birthday Honours List. Naomi brings significant plc Board experience as Senior Independent Director of Oxford Metrics plc and as Non-Executive Director of Focusrite plc; she is also Chair of the Remuneration Committee for both these companies. She serves as a Non-Executive Board Member at Sony UK Technology Centre, is a Trustee of The Institute for the Future of Work and was formerly a member of the UK Government's Science and Technology Awards Committee.

David Bergg
Non-Executive Director and Designated Non-Executive Director for Workforce Engagement

Appointed: May 2018 (and Designated Non-Executive Director for Workforce Engagement from December 2024)
Committees: Audit & Risk; Remuneration; ESG (Chair)

David has worked in the broadcasting industry for over 30 years holding various roles at ITV, the BBC, Sky, TV-am and Channel Five. He started his career working in several ITV regional audience research teams (including Grampian Television), before moving into marketing and programme acquisition roles and then embarking on a succession of senior scheduling positions. David was Director of Programme Strategy at ITV for 20 years to 2017 and retains extensive contacts at senior levels in the broadcast and programme production sectors in the UK and USA.

Aki Mandhar
Non-Executive Director

Appointed: February 2021
Committees: Audit & Risk; ESG

Aki has built a successful executive career across the advertising, marketing and digital media sectors and is CEO of Chelsea Football Club Women. Before this she was General Manager, International of the sports media company, The Athletic, which was successfully acquired by The New York Times in 2022. Prior to joining The Athletic in early 2020, she was Chief Operating Officer of Telegraph Media Group, responsible for delivery of the strategy to transform the business from a traditional publisher model into a successful, sustainable subscription-based business. Aki was UK Managing Director of Omnicom Group Agency, OMD from 2015 until 2017 and prior to this held executive roles within MediaCom over a period of nine years.

Eileen Malcolmson
Company Secretary

Board of Directors

As at 31 December 2024

Board at a glance

Board and Committee composition and attendance at scheduled meetings from 1 January 2024 to 31 December 2024[1]

Board member	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee	ESG Committee
Attendance					
Paul Reynolds (Board Chairman)	7/7			3/3	3/3
Executive Directors					
Simon Pitts[2]	6/6				
Rufus Radcliffe[3]	1/1				1/1
Lindsay Dixon	7/7				
Non-Executive Directors					
Simon Miller[4]	6/7	2/3	4/4	3/3	
Naomi Climer[5]	7/7		4/4	2/2	3/3
Ian Steele[6]	2/2	1/1	2/2	1/1	
Colin Jones[7]	2/2	1/1			
David Bergg	7/7	3/3	4/4		3/3
Aki Mandhar[8]	6/7	2/3			2/3

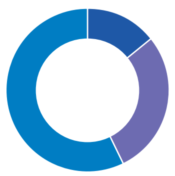
1 Data is based on scheduled meetings from 1 January 2024 to 31 December 2024 only. Additional ad hoc meetings of the Board also took place during the year.
2 Simon Pitts stepped down from the Board on 31 October 2024.
3 Rufus Radcliffe was appointed as a Director on 1 November 2024 and was appointed as a member of the ESG Committee on 11 December 2024.
4 Simon Miller stepped down from the Board on 11 December 2024. Simon was absent from one meeting of the Board and the Audit & Risk Committee scheduled on the same day due to unforeseen circumstances.
5 Naomi Climer was appointed as a member of the Nomination Committee on 1 May 2024.
6 Ian Steele stepped down from the Board on 1 May 2024.
7 Colin Jones was appointed as a Director and Chair of the Audit & Risk Committee on 2 September 2024 and was then appointed as Senior Independent Director and as a member of the Nomination Committee and the Remuneration Committee on 11 December 2024.
8 Aki Mandhar was absent from one meeting of each of the Board, Audit & Risk Committee and ESG Committee (scheduled on the same day) due to unforeseen circumstances.

STV's Board skills matrix

	Governance				Functional experience							Sectoral experience
Board member	Years on Board as at 31 December 2024	Board Committee membership	Board experience	Listed experience	Prior CEO/GM experience	Audit/financial reporting	Risk management	Technology/digital innovation	Customer/marketing	International	Regulation	Media
Paul Reynolds (Chair)	3.8	N, E	✓	✓	✓		✓	✓	✓	✓	✓	✓
Rufus Radcliffe (CEO)	0.16	E		✓	✓		✓	✓	✓			✓
Lindsay Dixon (CFO/COO)	5.5			✓		✓	✓			✓	✓	✓
Colin Jones (SID)	0.33	A, N, R	✓	✓		✓	✓	✓		✓		✓
Aki Mandhar (NED)	3.9	A, E			✓			✓	✓	✓		✓
David Bergg (NED)	6.5	A, R, E		✓						✓	✓	✓
Naomi Climer (NED)	1.6	N, R, E	✓	✓	✓			✓		✓		✓

Board Committees: A = Audit & Risk Committee; N = Nomination Committee; R = Remuneration Committee; E = ESG Committee

Board of Directors composition



14.3% Chairman
28.6% Executive Directors
57.1% Non-Executive Directors

Tenure of Non-Executive Directors and Chairman

14.3% More than 6 years
14.3% 4-6 years
28.6% 2-4 years
14.3% 1-2 years
28.6% Less than 1 year

Board and Executive Management diversity

Reporting table on gender identity or sex as at 31 December 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management[1]	Percentage of Executive Management
Men	4	57.1%	3	6	66.7%
Women	3	42.9%	1	3	33.3%
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Reporting table on ethnic background as at 31 December 2024[2]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management[1]	Percentage of Executive Management
White British or other White (including minority-white groups)	6	85.7%	4	9	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	14.3%	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic groups, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

1 As prescribed by UKLR6.6.6R(9) for the purposes of this disclosure, the Executive Management is the members of the Management Board and the Company Secretary.
2 Board members and the Executive Management were requested to disclosure their gender identity and ethnicity data individually. The data in respect of the two Executive Directors who are members of the Board and Management Board have been included in both the Board data and in the Executive Management data in the tables above.

STV Management Board

Rufus Radcliffe
Chief Executive

Lindsay Dixon
Chief Financial & Operating Officer

Bobby Hain
Managing Director, Broadcast

Richard Williams
Managing Director, Digital

David Mortimer
CEO, STV Studios

Peter Reilly
Commercial Director

George Harris
Director of Operations and Delivery

Suzanne Burns
HR and Communications Director

Corporate governance report

Compliance with the Code

STV and its Board of Directors are fully committed to upholding the highest standards of corporate governance as these are crucial to overall business integrity and performance. The Annual Report and Accounts for the year ended 31 December 2024 has been prepared in accordance with the provisions of the UK Corporate Governance Code 2018 (the 'Code'), available at www.frc.org.uk, and the Board's view is that it has complied with all relevant provisions of the Code.

Responsibilities of the Board

The role of the Board is to provide effective and entrepreneurial leadership of the Group for the purposes of promoting long-term sustainable success, generating value for shareholders, and contributing to wider society. This requires the Board to take high-quality strategic decisions, promote the desired culture and ensure there is a robust system of internal controls and risk management whilst monitoring the financial and operational performance of the business and overseeing performance against the Group's ESG ambitions and targets. The Board ensures that the necessary funding and talent are available to the business to meet its objectives and measure performance against them, and that effective succession planning processes, remuneration policies, governance arrangements and a framework of sound business ethics are in place.

The Board recognises that engaging with, and acting on the needs of, the Group's stakeholders is key to achieving the strategy and long-term objectives of the Group. Read more about how the Board engages with stakeholders and the Directors' statement of compliance with their duties under section 172 of the Companies Act 2006 on pages 42 to 46.

At the date of this report, the Board comprises the Chairman, two Executive Directors and four Independent Non-Executive Directors. The names of the Directors together with their biographies, including their skills and experience, are on pages 70 to 73.

Board governance framework

The components of the Board governance framework, being principal Committees of the Board, the Executives and Management Board are described in the diagram below.

Board of Directors

Responsible for the overall leadership of the Group.

Nomination Committee

Responsible for reviewing Board composition and diversity, proposing new Board appointments, and monitoring the Board's succession needs.

Remuneration Committee

Responsible for remuneration policy, performance linked pay schemes and share-based incentive plans. Determines the remuneration packages for Executive Directors and certain other senior Group employees and reviews workforce remuneration and related policies, including alignment with the Company's culture.

Audit & Risk Committee

Responsible for monitoring the integrity of the Group's financial reporting and disclosures, reviewing the Group's risk management framework and internal controls and the activities and performance of internal audit and the external auditor, and monitoring the Group's whistleblowing procedure.

ESG Committee

Responsible for the Group continuing to deliver a positive social impact to support long-term shareholder and stakeholder value including oversight of STV's Diversity & Inclusion Strategy, sustainability through its STV Zero strategy and community engagement.

Chief Executive

Responsible for executing strategy and day-to-day management.

Management Board

Responsible for assisting the Chief Executive in discharging his responsibilities ensuring alignment on business priorities, investments and actions, supported by divisional boards for each of Broadcast, Digital and Studios.

Management committees

Underlying this governance framework, STV has established various committees and groups that focus on specific aspects of the Group's ESG practices including the Diversity and Inclusion Steering Committee, the Sustainability Group, and the Information Security Group each of which brings together colleagues from across the business to support the Management Board with execution of their day-to-day responsibilities.

Corporate governance report

The Board discharges some of its responsibilities directly and delegates others through the Board governance framework. This enables the Board to spend a greater proportion of its time on strategic, forward-looking matters.

The Board has four main committees: the Nomination Committee, Remuneration Committee, Audit & Risk Committee and ESG Committee. The Board Committees are comprised solely of Non-Executive Directors, except for the ESG Committee which the Chief Executive was appointed as an Executive member on 11 December 2024.

From time to time, the Board may also establish special purpose Committees to assist it in overseeing specific areas and usually such Committees operate only for a defined period. Although a wide range of the Board's powers and authorities are delegated to the Executive Directors and Management Board, the Board retains ultimate responsibility and authority for their exercise.

The Board governance framework facilitates responsive and effective decision-making, ensuring that the Board and its Committees, the Executives and Management Board can collaborate proactively, consider issues and respond.

ESG is a core part of our broader Group strategy with culture, sustainability, diversity & inclusion and other related matters embedded into our Board governance framework.

The division of responsibilities of the Directors

The Board comprises Executive and Non-Executive Directors, which ensures that no individual or small group of individuals dominates the Board's decision-making. All Non-Executive Directors, except for the Chair of the Board, are considered to be independent in character and judgement. The Chair of the Board was considered to be independent on appointment. The role of Chairman and Chief Executive are separate with a clear division of responsibility that is set out in writing and approved by the Board.

The roles and responsibilities of Board members are detailed below and demonstrate a clear division between the roles and responsibilities of the Board and Executive management.

Chairman Leading the Board and ensuring its overall effectiveness in discharging its duties	Paul Reynolds leads the Board and is responsible for its overall effectiveness. He is expected to demonstrate objective judgement, to promote a culture of openness and constructive challenge and debate between all Directors, and to promote high standards of corporate governance. The Chairman sets the Board's agenda and ensures the Board receive accurate, clear and timely information, and are given adequate time for discussion. He also leads Board succession planning, ensures that Board induction, evaluation and development are a priority, and seeks to ensure effective communication with shareholders. The Chairman meets regularly with the Senior Independent Director and Non-Executive Directors outside the scheduled, formal meetings during the year. As Chairman, Paul also leads the Nomination Committee.
Chief Executive Leading the implementation of the Group's strategy set by the Board	As Chief Executive, Rufus Radcliffe has delegated responsibility from the Board for the day-to-day running of the business and, supported by the Management Board, is responsible for ensuring the overall operations and resources of the Group are managed effectively and for leading the implementation of the Group's strategy.
Executive Director – Chief Financial & Operating Officer Supporting the Chief Executive in the implementation of the Group's strategy set by the Board	The Chief Financial & Operating Officer, Lindsay Dixon, is an Executive Director and member of the Board as well as the Management Board and supports the Chief Executive by providing financial and operational leadership in the implementation of the strategic business plan and its alignment with financial and non-financial objectives.
Independent Non-Executive Director Ensuring that no individual or small group of individuals can dominate the Board's decision-making	The Independent Non-Executive Directors Naomi Climer, David Bergg, Aki Mandhar and the Senior Independent Director, Colin Jones (formerly Simon Miller until 11 December 2024), comprise more than half of the Board membership. They bring diverse business and commercial experience, objective judgement and specialist advice that inform Board discussions and decision making and are a major contributing factor towards the proper functioning of the Board and its Committees. They ensure that all matters are debated, and that no individual or group dominates the Board's decision-making process. They provide constructive challenge and give strategic guidance, holding executive management to account. Led by the Nomination Committee they are responsible for the appointment and removal of Executive Directors, and determine the remuneration of Executive Directors through the Remuneration Committee.
Senior Independent Director Providing a sounding board for the Chairman of the Board and serving as an intermediary for other Directors and shareholders	The Senior Independent Director, Colin Jones (formerly Simon Miller until 11 December 2024), provides a sounding board for the Chairman and, if necessary, acts as an intermediary for the other Non-Executive Directors. He is also available to shareholders to discuss any concerns that have not been addressed through the normal engagement channels. He leads on the ongoing monitoring and annual evaluation of the Board Chairman's performance. As part of his role, he meets with the Non-Executive Directors without the Board Chairman at least annually.
Designated Non-Executive Director for Workforce Engagement Providing an effective engagement mechanism for the Board to understand the views of the workforce	David Bergg, Chair of the ESG Committee, is STV's Designated Non-Executive Director for Workforce Engagement having taken over in that role when Simon Miller stepped down from the Board in December 2024. The Designated Non-Executive Director for Workforce Engagement makes site visits to the Company's offices to meet and talk to a wider group of colleagues, and participates in meetings of the Employee Forum from time to time. The Designated Non-Executive Director for Workforce Engagement also meets on a bi-monthly basis with the HR & Communications Director to discuss employee engagement activities and plans, including the employee opinion survey. He brings the views and experiences of the workforce into the boardroom so the Board can consider the views of the workforce in its discussions and decision-making.

Board and Committee operations

The structure of each Board and Committee meeting seeks to facilitate open discussion and debate and ensure adequate time for Directors to consider all agenda items and related proposals.

Meetings are held through a combination of virtual attendance and in person with the latter rotating around the main offices occupied by the Group. The Board held seven scheduled meetings during the year and attendance is set out on page 72. The Board also meets when necessary to discuss important emerging issues that require consideration between scheduled Board meetings. There were three additional meetings convened during the year, to discuss CEO succession and to consider and approve the promotion of Ms Dixon to the expanded role of Chief Financial & Operating Officer. The Chair also met with the other Non-Executive Directors without the presence of Executive Directors.

All Directors are expected to attend all meetings of the Board and the meetings of the Committees on which they serve, and the AGM. When a Director is unable to attend or dial in to a Board or Committee meeting, he or she receives the papers for consideration at that meeting and has the opportunity to provide feedback on the matters under consideration via the Chair of the relevant body in advance.

The powers of the Board are set out in the Company's articles of association. There is a schedule of matters reserved for the Board for its decision-making. There are also terms of reference for the Board Committees. These can be found on our website at www.stvplc.tv.

Time commitment and conflicts of interest

Non-Executive Directors, including the Chairman, are informed of the minimum time commitment required prior to their appointment and they are required to devote sufficient time to the Company to effectively discharge their responsibilities.

Before accepting any significant new commitment outside of STV, all Directors must seek approval from the Board, providing an indication of expected time commitment associated with the proposed new position. The Board monitors the extent of Directors' other interests and the time commitment required to fulfil those interests to ensure that the effectiveness of the Board is not compromised. A Director's preparation for, and attendance at, Board and Board Committee meetings is therefore only part of their role as they are expected to devote such time to the affairs of the Group as is necessary to enable them to perform their duties as Directors. The Board is satisfied that the Chairman and each of the Non-Executive Directors devote sufficient time to their duties.

Each Director has a duty under the Companies Act 2006 to avoid a situation in which they have, or might have, a direct interest that conflicts, or possibly may conflict, with the interests of the Company. This duty is in addition to the obligation owed to the Company to disclose to the Board an interest in any transaction or arrangement being considered by the Company. The Company's articles of association authorise the Directors to approve such situations and to comply and to apply other provisions to allow conflicts of interest to be dealt with.

Potential conflicts of interests are disclosed on appointment and on an ongoing basis via notification to the Company Secretary or the Chairman, and conflicts of interest are a standing agenda item at each Board and Committee meeting.

The Board has considered the current external appointments of all Directors which may give rise to a conflict. In any matter where a Director's interest does present a potential or actual conflict, the Director shall recuse themselves from any such discussion and will not vote or be counted in the quorum, when that matter is considered.

Except as stated in note 28 of the Financial Statements, no Director has, or has had, any material interest in any contract or arrangement with the Group during the year.

The Group maintains what the Board considers to be the appropriate insurance cover in respect of legal action against the Directors.

Talent and succession

The Board has overall responsibility to ensure there is adequate succession planning for the Board and senior management so that the right balance of skills and experience is available to set and deliver the Company's strategy.

The Board continues to review plans for the orderly succession of appointments to the Board with the support of the Nomination Committee, building on work previously undertaken. During the year, the Nomination Committee reviewed the balance of skills, experience, diversity, tenure and independence of Non-Executive Board members, and succession to the roles of Chief Executive and Chief Financial & Operating Officer were also reviewed. These activities ensure that appropriate plans are in place for the orderly succession of appointments to the Board, and to ensure satisfactory and compliant Board and Committee composition. Recommendations were made to the Board as required.

The full Board, with support provided by the Nomination Committee in respect of particular initiatives, is responsible for the depth and quality of the succession pipeline for the Management Board, senior management roles (direct reports to the Management Board) and other key operational roles across all areas of the Group. During the year, the Board reviewed the depth and quality of the succession pipeline with an assessment of the readiness and capability of postholders to progress to the next role and the timeframe in which they would be ready to undertake that move. Flight risk was also assessed and potential successors identified where applicable. The review considered the skills and capabilities required to ensure successful delivery of the Group's strategy, and personal development plans for high potential individuals, as well as diversity targets and the work undertaken to close the gender pay gap.

Corporate governance report

Board engagement with colleagues

The Board strongly believes in the importance of engaging with our stakeholders and hearing their views, which brings valuable outside perspectives to the Board. In particular, the Board recognises that our colleagues are critical to our success. Ensuring that Board members have an opportunity to engage directly with colleagues is an important part of workforce engagement and helps the Board take the issues of interest to our colleagues into account when making decisions about the future strategy and operations of the Company. During 2024, Board engagement with colleagues included:

- Informal session for the Board and colleagues based in our London office (predominantly creative leaders and production teams of many of the labels in STV Studios) to understand market dynamics, learn about their activities and their views on the support from STV and integration into the Group.
- The Designated Non-Executive Director for Workforce Engagement, Simon Miller (until 11 December 2024), visited the Group's offices outside the Board schedule to discuss matters ranging from culture and engagement to career development and reward and remuneration.
- Naomi Climer was a guest speaker at the STV Women in Digital group, where she spoke candidly about her career, answered questions on a wide range of topics and took part in a discussion about opportunities and challenges in the digital sector.
- The Chief Executive hosted a regular all-colleague virtual town hall featuring highlights and challenges from different areas of the business, with the purpose of connecting colleagues and providing an opportunity to build an understanding of the wider business.

As well as Board engagement with colleagues directly, the Board receives papers providing updates on workforce engagement which provide the Board with valuable insights into the operation and culture of the business.

Key Board activities in 2024

The Board's engagement in strategy

Starting in the second half of 2023 and continuing into early 2024, the Board worked closely with the Executive Directors, Management Board and external advisors where appropriate to shape the next phase of the Group's strategy. The Board decided to hold a series of strategy sessions and extended the length of scheduled Board meetings to accommodate this. Each session was designed to cover specific topics and the Board was provided with briefing materials in advance, ensuring that the time Board members spent together was discussion-focused and provided time for challenge, debate and questions. The close engagement between the Board, Executive Directors and Management Board throughout the process ensured the continual evolution of the 3 Year Strategic Plan building on feedback from each session.

The updated 3 Year Strategic Plan for 2024 to 2026 was presented to the Board in February 2024 and was duly approved, with the strategic targets and related financial and non-financial performance indicators shared with investors in March 2024, alongside the Company's preliminary results for FY23.

Throughout 2024, the implementation of strategy has been monitored and evaluated on an ongoing basis. The Board's work in this area includes continual assessment of the changing landscape the business is operating in and the need to adjust and reprioritise strategic actions accordingly.

The Board received presentations from the Executive Directors, divisional Managing Directors and certain of their team members, supported where appropriate by external advisors, to consider and challenge specific proposals for delivery of the respective strategies of each division. High quality briefing papers were provided to the Board for each of those meetings with updates provided between meetings to keep the Board informed of progress.

Key matters in which the Board performed a pivotal role in the implementation of the growth strategy included:

- Oversight of the integration of Greenbird Media (acquired in July 2023) into STV Studios, and a creative label review undertaken to ensure the creative firepower within the business is targeted in an optimal way to align to the market and evolving needs of commissioners
- Approval of the partnership of STV Player+ and Premier Sport (announced in Q1 2025)
- Approval of the refinancing of the Group's debt facility (in January 2025)

On his appointment as Chief Executive in November 2024, Rufus Radcliffe embarked on a programme of engagement with colleagues from across all offices in the Group and a number of our largest shareholders, advertisers and customers. He also led a strategy away day with the Management Board.

Within the overarching consideration of Group strategy, the Board continued to consider our STV Zero strategy and Diversity & Inclusion Strategy with its oversight supported by the ESG Committee. Further details can be found in the report of the ESG Committee on pages 90 and 91.

Other key board activities in 2024

The Board executed its responsibilities across the full suite of core activities during the year, with the focus set out below:

Strategy (stakeholder groups impacted: Colleagues, Customers, Suppliers, Shareholders, Community and environment, Government and regulators)
- Reviewed, discussed and approved the updated 3 Year Strategic Plan for 2024 to 2026, including a cost savings programme
- Participated in focus sessions on 'horizontal topics' to deepen the Board's understanding on key areas of impact/focus across the Group, such as viewing and competitive trends, emerging technology, the broader macroenvironment and evolution of the media sector
- Oversight of investment opportunities and divestments as part of the creative label review in STV Studios
- Approval of the partnership of STV Player+ and Premier Sports
- Approval of 2024 and 2025 Sustainability targets to support continued progression of STV Zero
- Approval of 2024, 2025 and 2026 Diversity & Inclusion targets to support continued progression of the Diversity and Inclusion Strategy
- Discussions of various regulatory and legislative issues, including the new Media Act and its implementation process

Operational and financial performance, including monitoring (stakeholder groups impacted: Colleagues, Customers, Suppliers, Shareholders, Government and regulators)
- Operational and financial updates for each business area, including major project summaries and legal and compliance reporting
- Monthly finance reports, including details of performance against budget/latest forecast, review of cashflow and assessment of balance sheet and net debt
- Approval of the Annual Report & Accounts, including assessment of the going concern basis of preparation and Viability Statement
- Approval of the Interim Financial Accounts including assessment of the going concern basis of preparation
- Approval of trading updates
- Approval and declaration of interim and full year dividends
- Review, challenge and monitoring of progress against the integration plan for the Greenbird Media (acquisition in 2023), including realisation of synergies identified in the acquisition business case
- Review, challenge and monitoring of progress against the 3 Year Strategic Plan for 2024 to 2026 and the status of the cost review programme and the plans in place to realise them

Risk management, including resilience (stakeholder groups impacted: Customers, Suppliers, Shareholders)
- Approvals of the Group's Risk Appetite Statement and Risk Management Policy
- Assessment of the Group's principal and emerging risks
- Review of the Group risk register and identified mitigating controls
- Approval of sustainability and climate-related risks reflected all principal and emerging sustainability-related risks and opportunities facing the Group
- Monitoring of cyber and data security practices and outcomes
- Review of the Group's information security programme
- Oversight and approval of the refinancing of the Group's debt facilities
- Approval of the Group's Tax Strategy
- Presentations and training from the Company's pension adviser on evolving defined benefit pension legislation, the funding position of the Group's schemes and potential actions to manage the position
- Approval of the 2023 triennial valuation for the Group's defined benefit pension schemes

Investor Relations (stakeholder groups impacted: Shareholders)
- Review of institutional investor feedback following meetings with the Chairman, Executive Directors and/or Chair of the Remuneration Committee
- Regular reporting from brokers on markets, trading and activity in STV shares
- Review of draft RNS announcements and analysts' results presentations, the latter for the Company's full and half year financial results
- Monitoring the wider investor engagement programme, including site visits

Culture (stakeholder groups impacted: Colleagues)
- Succession planning review for Management Board, Senior Leadership Team and other key operational roles
- Oversight of the 2024 salary review
- Approval of the 2024 Modern Slavery and Human Trafficking Statement
- Oversight of the communication and culture elements of the Greenbird Media integration process
- Approval of the Company's Whistleblowing Policy
- Oversight of arrangements for the CEO transition

Governance and regulatory matters (stakeholder groups impacted: Customers, Shareholders, Government and regulators)
- Annual Performance Evaluation FY23 Board Action outcomes
- Approval of the 2024 Board agenda
- Internally facilitated annual effectiveness review of the Board, its Committees and each of the Directors for FY24
- Approval of AGM notice and arrangements
- Annual approval of matters reserved for the Board and Terms of Reference for each Board Committee
- Appointment of new Directors to the Board and related changes to Committee membership
- Annual approval of Non-Executive Director fees and annual minimum time commitment
- Update on the new UK Listing Rules (UKLR) sourcebook and amended Admission and Disclosure Standards
- Updates on Corporate Governance developments and their applicability to the Company

Board support and the role of the Company Secretary

The role of the Company Secretary is to support the Chairman of the Board and ensure the Directors have access to the information they need to carry out their roles. She provides a channel for Board and Committee communications and is a link between the Board and management. The Company Secretary must ensure that all Board and Committee procedures are complied with and advise on corporate governance and related regulatory compliance. She facilitates Director induction, professional development and Board evaluations overseen by the Board Chairman.

The Company Secretary is also responsible for ensuring that the Board and Committees receive accurate, clear, and up-to-date information in sufficient time for them to review it before each meeting and are provided with sufficient resources to discharge their respective duties. In addition and separate to the support provided by the Company Secretary, the Directors have access to independent professional advice at the Group's expense.

Corporate governance report

Induction

All Directors who join the Board receive a comprehensive bespoke induction programme that is guided by the Chairman and supported by the Company Secretary. Every programme builds on the skill set, attributes, and background of the joining Director, their interests in the Board or Committee roles, and the Company's recommendations.

In addition to background information on the Company, every induction covers a range of topics including Board procedures, recent operational performance and strategic direction of the Company, and Directors' duties and responsibilities, including procedures for dealing in STV's shares. Any new or serving Director joining a Board Committee is also provided with an induction tailored to that Committee.

Each induction typically includes a series of meetings with the members of the Board, Management Board and external advisers (including brokers) and other senior management. Directors receive a walkthrough of the business from members of the Management Board and a briefing on STV's investor relations programme. A newly appointed Director will have met some, if not all, fellow Board members as part of the original search and appointment process but additional meetings may nevertheless occur with the same Board members as part of their induction.

Insight into the induction for Colin Jones

Colin Jones joined the Board as an Independent Non-Executive Director and was appointed Chair of the Audit & Risk Committee on 2 September 2024. Subsequently, on 11 December 2024, he was appointed Senior Independent Director and a member of the Nomination and Remuneration Committees following the resignation of Simon Miller. As part of his onboarding programme, Colin's induction included the following:

Orientation pack	• Information about Board operations and administration including meeting dates and logistics • Key Company policies including share dealing • Directors' duties and responsibilities for a listed Company
Reading material	• Access to the Board portal containing Board and Board Committee papers, minutes and resource materials • Key Company governance documentation including Matters reserved for the Board and Audit & Risk Committee Terms of Reference
Meetings	• One-to-one meetings with the members of the Board and Company Secretary • Introductory meeting with the Senior Internal Auditor and External Auditor Partner, and corporate brokers • Deep dive sessions with the Group Financial & Operating Officer, the Group Financial Controller, Group Financial Reporting and Tax Compliance Manager and Head of Treasury • Deep dive sessions with members of the Management team focusing on matters within their areas of responsibility

Training & development

All Directors training and development is an ongoing process. Throughout their period in office the Directors are regularly updated on the Company's business, the macro and competitive environments in which the Company operates and any other significant factors affecting the Company and the market sector of which it is a part. In addition, the Board regularly receives presentations from senior managers within the Company and from Company advisors to ensure that Directors' knowledge, skills, and familiarity with the Company's business are maintained. Directors are also provided with, and encouraged to take up, opportunities to meet major shareholders. These activities are supplemented with separate conversations between individual Non-Executive Directors and members of the Management Board to pick up on specific points as they arise.

Board and Committee evaluations

The effective functioning of the Board is key to the success of the Company. STV recognises that an annual Board effectiveness review is a valuable feedback mechanism for the Board in driving its performance, optimising the strengths of individual Directors, and highlighting areas for further development.

The Board evaluation process this year was internally led. This involved the completion of a questionnaire agreed between the Chairman and the Company Secretary, which built upon the previous year's evaluation, focused on the core responsibilities of the Board and Committees, and its approach to 2024 key activities. Individual responses to the questionnaires were collated by the Company Secretary, who prepared anonymised summaries. These anonymised summaries were discussed with the Chairman (except the performance evaluation of the Chairman, which was reviewed by the Senior Independent Director). A summary of the feedback was then presented to the Board and an action plan agreed. The evaluation concluded that the Board and its Committees continued to be effective and that each of the Directors continued to contribute effectively to Board and Committee meetings.

There were no recommended actions arising for the Committees from the 2024 evaluation process.

The Senior Independent Director took input from the members of the Board on the performance of the Chairman and shared the feedback with the Chair. The Senior Independent Director was able to confirm that there was unanimous agreement that the Chair leads the Board in an effective manner. The Directors agreed that he demonstrates objective judgement, promotes a culture of openness and debate and facilitates constructive Board relations and effective contribution of all Non-Executive Directors.

In regard to the recommendations identified through the internally facilitated evaluation in 2023, the Board has directly overseen the implementation of those actions.

Progress against 2023 actions

Areas of focus identified	Outcome
To optimise the Board's time – A review of board papers' structure and size and a review of the frequency of meetings.	Given the changes to Board composition during the year this action was paused until the Board was refreshed and the new CEO was in post. A review of the format of papers was undertaken to ensure the Board has the information needed to enable the right level of scrutiny, guidance and support. Given the fullness of the agenda and required timings of approvals during the year, the Board agreed to maintain the frequency of meetings.
Reflecting the uncertainty and volatility of the market – add another horizon-scanning exercise to the Board's agenda in the year.	Horizon scanning was an important part of the process to shape the new phase of the Group's strategy in 2024. Further sessions on horizon scanning have been included in the Board's 2025 annual agenda.

Shareholder engagement

STV believes that open and regular dialogue with investors is the basis of a trusted relationship. Its corporate website (www.stvplc.tv) has information for institutional and private shareholders alike, and shareholders seeking information may contact the Company directly throughout the year. In addition, STV has an electronic communication facility to allow shareholders to receive information more quickly and in a manner convenient for them.

The Board recognises the importance of having continual engagement with its shareholders and fully supports the principles of the Code that encourage open dialogue between companies and their shareholders. The Board welcomes and encourages participation of all shareholders at the Company's Annual General Meeting.

In addition, STV undertakes a comprehensive programme of meetings and events for institutional investors, retail investors, research analysts and the financial press throughout the year.

The Chairman, the Senior independent Director and other Non-Executive Directors are available to meet with shareholders to discuss governance, strategy and operational delivery, Directors' remuneration and develop a balanced understanding of their issues and concerns. Various meetings have taken place with shareholders during the year. Discussions at these meetings are conveyed to all Directors in order that each can develop an understanding of major shareholders' views on the Company.

Minority voting

At the Annual General Meeting of STV Group plc held on 1 May 2024 all resolutions were passed with the requisite majority of votes, although there were more than 20% votes cast against the four Resolutions set out below:

- Resolution 2, to approve the Directors' Remuneration Policy was approved by 73.57% of votes cast.
- Resolution 3, to approve the Annual Report on Directors' Remuneration for the year ended 31 December 2023 was approved by 74.11% of votes cast.
- Resolution 5, to elect Naomi Climer as a Director of the Company was approved by 76.08% of votes cast.
- Resolution 14, to approve the amendments to the rules of the STV Group plc Long Term Incentive Plan was approved by 75.38% of votes cast.

In accordance with Provision 4 of the Corporate Governance Code, the Company provided an update to the Investment Association on the views received from shareholders, the Company's response, and that having undertaken a comprehensive engagement programme to inform the 2024 triennial remuneration policy review, the Company did not propose to take any further action at this time. This can be found on the Investment Association's public register of shareholder dissent or on our website at www.stvplc.tv.

The Company remains dedicated to its ongoing engagement with shareholders and their respective bodies on remuneration and other governance practices, whilst continuing to evolve governance and best practice.

Governance Committee reports

Report of the Remuneration Committee

The members of the Committee during the year and to the date of this report, all of whom are independent Non-Executive Directors, were:

Naomi Climer (Chair)
David Bergg
Ian Steele (retired 1 May 2024)
Simon Miller (retired 11 December 2024)
Colin Jones (appointed 11 December 2024)

The role and activities of the Remuneration Committee are described within the Directors' Remuneration Report which can be found on pages 92 to 105.

Report of the Nomination Committee

The members of the Committee, comprising two independent Non-Executive Directors and the Chairman of the Board (independent on appointment), were:

Paul Reynolds (Chair)
Ian Steele (retired 1 May 2024)
Naomi Climer (appointed 1 May 2024)
Simon Miller (retired 11 December 2024)
Colin Jones (appointed 11 December 2024)

The Committee's detailed responsibilities are set out in its terms of reference which are available on the Company's website www.stvplc.tv.

During the year, three scheduled meetings were held and there were eight additional meetings to consider: Chief Executive Officer succession; Non-Executive Director succession; and the promotion of the Chief Financial Officer to the role of Chief Financial & Operating Officer. At the invitation of the Committee, meetings are attended by the HR & Communications Director and the Chief Executive.

The principal activities undertaken by the Committee during 2024 have been summarised below.

Month	Activity
February	• Composition, structure of the Board and Committees, and succession planning • Review of Committee report in Annual Report • Time commitments, and review of conflicts of interest and external appointments of Non-Executive Directors • Recommendation to the Board the appointment of Simon Miller as interim Chair of the Audit & Risk Committee • Recommended to the Board all Directors be put forward for election or re-election at the AGM • Assessment of independence of Non-Executive Directors • Non-Executive Director recruitment
March	• Promotion of Lindsay Dixon to the joint role of Chief Financial & Operating Officer
April	• CEO succession
May	• Non-Executive Director succession
June	• CEO succession
July	• CEO succession (the Board conducted the next stages of the recruitment process leading to the appointment of Rufus Radcliffe)
August	• Non-Executive Director succession –appointment of Colin Jones
October	• Senior Independent Director and Designated Non-Executive Director for Workforce Engagement Succession Planning
December	• Appointment of Colin Jones as Senior Independent Director and David Bergg as Designated Non-Executive Director for Workforce Engagement • Appointment of Rufus Radcliffe as a member of the ESG Committee • Appointment of Colin Jones as a member of the Remuneration and Nomination Committees

Composition of the Board and Changes

During the year, the Committee continually reviewed the Board's (and the Board Committees') structure, size and composition including the balance of skills, knowledge, experience, and diversity to ensure their effectiveness and ability to support the Group's strategy and ultimately deliver value for all stakeholders. The Board skills and experience matrix is set out on page 72.

The Board was notified of the intention of three Directors to step down during the year resulting in: Simon Pitts, Chief Executive, stepping down from the Board on 31 October 2024; Ian Steele, Independent Non-Executive Director and Chair of the Audit & Risk Committee, retiring from the Board on 1 May 2024; and Simon Miller, Senior Independent Director and Designated Non-Executive Director for Workforce Engagement, retiring from the Board on 11 December 2024. As a result:

- The Committee led the search and selection process for a new Chief Executive and made the recommendation to the Board resulting in the appointment of Rufus Radcliffe with effect from 1 November 2024.
- The Committee led the search and selection process to appoint an Independent Non-Executive Director and Chair of the Audit & Risk Committee to replace Ian Steele who retired from the Board at the conclusion of the 2024 AGM. On finalisation of the process, the Committee recommended to the Board the appointment of Colin Jones into the role.
- Following the resignation of Simon Miller, the Committee recommended Colin Jones' appointment as Senior Independent Director, with David Bergg as Designated Non-Executive Director for Workforce Engagement.

The Committee recommended to the Board Lindsay Dixon's promotion to the role of Chief Financial & Operating Officer.

The Committee also oversaw changes to the Board Committees' compositions during the year, recommending the appointment of Naomi Climer as a member of the Nomination Committee, Colin Jones as a member of the Nomination and Remuneration Committees, and Rufus Radcliffe as a member of the ESG Committee.

Board appointment process

Executive Director and Chief Executive
During 2024, the Committee oversaw an extensive search process for a new Chief Executive and Executive Director culminating in the appointment of Rufus Radcliffe on 1 November 2024.

Russell Reynolds, who do not have any other connection with the Company or individual Directors, except where they may have liaised with them as prospective candidates for other board positions, was selected by the Board to support them in this search.

Russell Reynolds met with the Committee, Chief Financial & Operating Officer and HR & Communications Director to seek their input into the profile of the desired candidate and to refine the role specification and key attributes of proposed candidates. Key attributes identified included: track record of general manager leadership of a business division and P&L of analogous scale, scope and complexity to STV; relevant sector experience; proven track record of strategy development and execution; highly commercial mindset; operational focus with the ability to drive profitable growth; galvanising leader and an excellent communicator and stakeholder manager.

All Directors, except for the out-going Chief Executive, were involved in the final stage of the selection process with the final decision being taken by the Board on recommendation from the Committee. At conclusion of the process, the Board identified Rufus Radcliffe as the preferred candidate on the basis of the key attributes identified for the role including his rare breadth of strategic and operational experience combined with his leadership qualities.

Simon Pitts only involvement in the search and selection process was to provide a view to Russell Reynolds on the key attributes of the successful candidate.

The steps in the search and selection process are outlined below.

Step 1	• Russell Reynolds Associates (RRA) was appointed to assist with the search process based on the role criteria, and helped refine the role specification. • RRA conducted a search for candidates.
Step 2	• The Committee, the Chief Financial & Operating Officer and the Head of HR & Communications reviewed an initial long list of potential external candidates and applications from internal candidates received directly, prioritising those most closely aligned with the specification of the role and broader attributes. • A shortlist was agreed.
Step 3	• Shortlisted candidates met the Chair of the Board in an introductory meeting. • The shortlisted candidates were then interviewed twice by pairs of Directors – firstly by two Non-Executive Directors and secondly by a Non-Executive Director and the Chief Financial & Operating Officer. Throughout this time the Committee received feedback and then top candidates were selected. • Top candidates met with the Chairman followed by a panel interview and presentation with the full Board (excluding Simon Pitts).
Step 4	• Following feedback from the top candidate interviews and appropriate checks and referencing, the Committee met with all the Non-Executive Directors in attendance and the Chief Financial & Operating Officer and selected two preferred candidates.
Step 5	• The Chairman met the two preferred candidates and provided feedback to the Board. The Board then agreed the preferred candidate was Rufus Radcliffe and after due process appointed Rufus Radcliffe as Chief Executive.

Governance Committee reports

Independent Non-Executive Director
As mentioned in last year's Committee report, Ian Steele, Independent Non-Executive Director and Chair of the Audit & Risk Committee, would not be seeking re-election at the 2024 AGM and the Committee had initiated a formal search process to appoint his successor.

The Committee engaged Korn Ferry (KF) to help define the role profile and identify suitable candidates. KF do not have any other connection with the Company or individual Directors, except where they may have liaised with them as prospective candidates for other board positions.

KF was appointed to assist with the search process based on the role criteria agreed by the Committee, having regard to a range of factors including the skills, experience, knowledge and characteristics required of the role of an Independent Non-Executive Director, taking into account stakeholder expectations and keeping in mind the composition of skills, experience and diversity required of the Board as a whole. In addition to fulfilling the core requirements to enable the role of Non-Executive Director to be undertaken effectively, the key requirements of candidates were to have served on, or ideally chaired, an audit and risk committee) and have an appropriate financial qualification and accompanying financial skills and experience.

The Committee discussed a long list of candidates provided by KF looking at core role criteria and broader attributes, together with an assessment of the time commitment expected, and created a shortlist. First round of two interviews were held for the shortlisted candidates, with each candidate meeting the Chairman and the Senior Independent Director and separately with a Non-Executive Director and the Chief Financial & Operating Officer. These meetings were all held via video conference. Based on feedback from these interviews, the Committee narrowed the list down to three individuals who were selected for a second round of in-person interviews, the first with the Chairman and a Non-Executive Director and the second with the Chief Financial & Operating Officer.

The Committee discussed feedback from all interviews and agreed Colin Jones as the preferred candidate, considering his successful career in technology, media and telecommunications, his roles as Chief Operating Officer and Chief Financial Officer, and significant plc board experience as an Independent Non-Executive Director and Chair of the Audit & Risk Committee. The Committee considered his skills and experience would complement the skills and experience of the existing Directors. Furthermore, the Committee assessed whether Colin would be considered independent having regard to the circumstances set out in the Code and the requirement that at least half of the Board should be independent Non-Executive Directors, and assessed the time commitment required of Colin to fulfil his duties alongside his external appointments.

The Committee recommended Colin Jones as the preferred candidate to the Board, as an Independent Non-Executive Director and Chair of the Audit & Risk Committee, subject to Colin resigning as a Director from one of his external Board appointments, which was duly fulfilled.

This process was successfully completed with the appointment of Colin Jones to the Board on 2 September 2024.

Senior Independent Director and Designated Non-Executive Director for Workforce Engagement
The Committee considered the Board Chair's aim to run a slightly smaller Board going forward, following the resignation of Simon Miller, and reflecting on the composition of skills and experience of Board members against the definitions of the roles of Senior Independent Director and Designated Non-Executive Director for Workforce Engagement, recommended Colin Jones appointment to the Board as Senior Independent Director, and David Bergg as Designated Non-Executive Director for Workforce Engagement.

Succession planning

Effective succession planning and development of a diverse succession pipeline are key aspects of good governance.

During the year, the Committee reviewed current succession plans for the Board building on the work previously undertaken. This included giving consideration to the tenure of individual Non-Executive Directors and the succession to the roles of Chief Executive and Chief Financial & Operating Officer and potential future changes to Board composition, structure and size with a view to ensuring a succession plan that would address any gaps against the skills and experience required to support delivery of the strategy of the Company.

This was combined with the Board's review of development plans and succession planning for the Management Board, senior leaders (direct reports to the Management Board) and other key operational roles across the Company which was formally scheduled as a standing Board item. Further information can be found on page 77 of the Governance Report.

Diversity and Inclusion

The Committee recognises the strategic importance of a diverse and inclusive Board and its Committees. We believe that Board diversity makes us a better and more sustainable business, contributing to high performance and enhanced commercial results. As well as a diverse Board, we promote an open and inclusive culture in Board and Committee meetings, where all Directors are encouraged to share their views, and all views are taken into account without bias or discrimination.

The FCA's UK Listing Rule 6.6.6R(9) requires that STV includes a 'comply or explain' statement in its annual report as to whether it has achieved Board and ethnic diversity targets and discloses certain numerical data relating to the gender and ethnic background of the Board and Executive Management members, together with an explanation of STV's approach to data collection for the purposes of making the required disclosures. The diversity data in the format prescribed by LR6.6.6R(9) is provided on page 73.

Performance against these targets as at 31 December 2024 is set out below, with statements of compliance given accordingly.

FCA Listing Rule	Performance as at 31 December 2024
Gender diversity target • the proportion of women on the Board is at least 40%	42.9% of Directors are women. This target has been met.
• at least one of the following senior Board positions is held by a woman: Chair, Chief Executive, Senior Independent Director or Chief Financial Officer	This target has been met through having a woman in the role of Chief Financial & Operating Officer.
Ethnic diversity target • at least one individual on its Board is from a minority ethnic background	This target has been met.

Due to its relatively small size, the appointment or departure of an individual Director from the Board can have a significant impact on the achievement of these targets and therefore it is acknowledged that in periods of board change there may be times when these targets are not met.

The Committee will continue to keep Board and Board Committee composition under review as part of its succession planning.

The Committee is also mindful of the voluntary target recommended by the FTSE Women Leaders Review of 40% female representation for Management teams and their direct reports by the end of 2025. As at 31 December 2024, female representation amongst the Management Board and their direct reports was at 56% and so exceeded the suggested minimum. We will continue to ensure the Group has a diverse pipeline for Management Board succession and this will be an annual agenda item for the Board and its Committees where appropriate.

The Board with the support of the ESG Committee and together with management, remains focussed on building a supportive and inclusive culture that ensures equal opportunity for all and driving measurable progress.

Independence, election, and re-election of Directors

A formal review of the independence of the four Independent Non-Executive Directors was undertaken by the Committee, which in each case considered relevant issues, including the skills and experience, number and nature of external appointments, potential conflicts of interest (of which none were identified in 2024), and their length of service. The individual circumstances were also assessed against independence criteria, including those set out in the Code. The outcome of the review was that the Committee recommended to the Board that each Non-Executive Director was considered to be independent in character and judgement. Therefore, the Board continued to satisfy the requirement for at least half of its members, excluding the Chairman, to be Independent Non-Executive Directors.

During the year, the Committee kept under review the number of external directorships held by each Director, in order to assess any potential risks of 'overboarding'. The Committee considered the limits on the number of directorships included in the related guidelines of shareholder bodies. Following the Committee's recommendation, the Board is satisfied that there are no Directors whose time commitment causes concern and that all Directors have been able to devote sufficient time to the Company.

In accordance with the Code and on recommendation of the Committee to the Board, Rufus Radcliffe and Colin Jones will seek election at the 2025 AGM and all the continuing Directors of the Company will seek re-election at the next AGM. Further information in support of their election or re-election will be set out in the Notice of Meeting. The Board is of the view that each Director it has recommended to shareholders for election or re-election at the 2025 AGM continues to be effective and contributes to the Company's long-term sustainable success.

Committee evaluation

The Committee undertakes an annual evaluation process to review its performance and effectiveness as part of the wider Board evaluation. The 2024 evaluation assessed the Nomination Committee as being effective and operating well overall, relative to its areas of responsibility.

There were no recommended actions arising from the 2024 evaluation process.

Governance Committee reports

Report of the Audit & Risk Committee

The members of the Committee, all of whom were independent during the year, were:

Ian Steele (Chair) (retired 1 May 2024)
Simon Miller (Interim Chair between 1 May 2024 to 2 September 2024) (retired 11 December 2024)
Colin Jones (Chair) (appointed 2 September 2024)
David Bergg
Aki Mandhar

The Committee's detailed responsibilities are set out in its terms of reference which are available on the Company's website, www.stvplc.tv.

The Audit & Risk Committee was chaired throughout the year by an Independent Non-Executive Director with appropriate recent and relevant financial experience. The Committee members have, through their other business activities, significant experience in financial and risk management matters. They have been selected with the aim of providing the wide range of financial and commercial experience necessary to fulfil the Committee's responsibilities.

At the invitation of the Committee, meetings are attended by the Chairman, Chief Executive, Chief Financial & Operating Officer, and senior members of the Group Finance Team as required. Naomi Climer, Independent Non-Executive Director, has a standing invite as an attendee to all meetings. Representatives from both the external and internal auditors also participate in each meeting and the Committee meets separately with each of senior management and the external and internal auditors at least once during the year. These separate meetings with the internal and external auditors provide the Committee with the opportunity for any issues to be raised by, or with, the auditors.

The Committee met three times during 2024. The Chair of the Committee reports on the main points of discussion to the Board following each meeting and conveys any recommendations for the Board's own decision making.

The papers considered by the Committee are available to any Director who is not a member, should they wish to receive them.

Committee activities

The principal activities undertaken by the Audit & Risk Committee during 2024 included:

Month	Activity
March	• Review of Year End Results, including FY23 Annual Report & Accounts • Review of External Audit Report on Year End Results • Risk review and assessment, and internal control effectiveness • Review of Internal Audit Reports • Corporate Governance updates • Review of Independence of External Auditors • Annual review of the effectiveness of the audit process and External Auditor performance • Confirmation of no Whistleblowing reports received
August	• Review of Half Year Results • Review of external auditors' report on Half Year Results • Corporate Governance updates • Internal Audit Report • Review of risk management and internal controls
October	• Review of external audit plan for 2024 • Approval of Internal Audit Plan for 2025 • Internal Audit progress report • Update on tax compliance and governance and approval of tax strategy • Corporate Governance updates

The principal activities undertaken by the Committee during 2024 focussed on the four areas of financial reporting, internal control and risk management, internal audit, and external audit.

Financial reporting

The Committee's principal responsibility in this area is to review and challenge the judgements and estimates taken by management in applying the critical accounting policies that underpin the interim and annual financial statements. The Committee is required to ensure that appropriate rigour has been applied to the Group's financial statements, including the content of the Interim Financial Report, the Annual Report and Accounts, related results announcements, and supporting analyst presentations, and that the critical accounting policies have been applied appropriately and the disclosures presented are transparent and sufficient. Based on the work of the Committee, a recommendation is made to the Board in relation to the application of the going concern principle, and approval of the Group's financial statements taken as a whole. The Committee has a particular focus on:

- critical accounting policies, disclosure obligations and practices (including any changes during the period) and the Group's use and explanation of alternative performance measures (APMs);
- decisions requiring significant judgements, areas of significant estimate, or where there has been discussion with the external auditor;
- the existence of any errors, adjusted or unadjusted, arising from the audit;
- the clarity and compliance of disclosures with accounting standards and relevant reporting requirements;
- the oversight of the processes and controls in place to compile and report on the numerical elements of the Group's climate-related financial reporting, including any external assurance sought;
- review of the Climate-related Financial Disclosures report, including the statement of compliance;
- assessment of the going concern basis of preparation and review of the process and financial modelling underpinning the Viability Statement; and
- the processes surrounding compilation of the Annual Report & Accounts, from the perspective of presenting a fair, balanced, and understandable assessment of the Group's position and prospects.

Formal reports were received from the Chief Financial & Operating Officer and the external auditor during the year, summarising the main discussion points relevant to the interim financial report (in August 2024) and the Annual Report (in February 2025).

The Committee has identified several areas of focus on which it received reporting from management and the external auditors. Within these areas of focus, the Committee considers that the significant risks from a financial reporting perspective in 2024 were: (i) revenue recognition for production revenue as the revenue recognition policy was expanded during the year to include producer-for-hire contracts which involves judgement in determining the costs to complete; and (ii) accounting for the incremental investment in Two Cities Television Limited and subsidiaries in January 2024, which required making an assessment of the fair value of assets and liabilities acquired, and the related disclosures.

In terms of revenue recognition for production revenue, the Committee challenged management on the key underlying assumptions. This involved a review of the assessment undertaken by management to estimate the 'percentage of completion' of each producer-for-hire arrangement in place at the year end. The Committee also sought assurances from the external auditors that they were satisfied that management's analysis and judgements were appropriate and reasonable. On the basis of work performed, the Committee concluded that it was satisfied that the assumptions underpinning the revenue recognition for production revenue were appropriate and the disclosures were transparent and complied with the relevant accounting standard.

In relation to the incremental investment in Two Cities Television Limited and its subsidiaries, the Committee received reporting from Management on the assessment of fair values of identifiable assets and liabilities. The determination of consideration was reviewed by the Committee. The Committee also sought assurance from the external auditors that the assumptions supporting the assessment of fair values of assets and liabilities were reasonable and had been calculated accurately. The Committee concluded that it was satisfied that appropriate assumptions had been made and that the disclosure of the fair values of the incremental investment in the business was complete, accurate and complied with the relevant accounting standard.

The other areas of focus for the Committee (none of which was considered a significant risk) that it received reporting on from management and the external auditors were: impairment of parent company investments; adjustments to revenue; development stock and deferred production stock in Studios; retirement benefit obligation; adjusting items and alternative performance measures; and goodwill impairment. The Committee reviews the work in these areas given the judgement involved by management in the underlying assumptions and the need for transparent disclosures. Having reviewed reporting on each matter, the Committee was content with management's treatment and disclosure across all areas.

Going concern and long-term viability

The Committee reviewed and challenged the appropriateness of adopting the going concern basis of accounting in preparing the full year financial statements and separately assessed whether the business was viable in accordance with the requirements of the Code. A key factor in both assessments was the availability of finance and the Committee recognised the new Revolving Credit Facility (RCF) recently arranged by the business. The RCF was entered into on 13 February 2025 for a period of at least 3 years (two 1-year extension options are available) with a facility size of £70m (an uncommitted £20m accordion is also available).

The assessment included a review of the principal risks facing the Group, their financial impact, how they were managed, and forecast covenant compliance together with a discussion as to the appropriate period for the viability assessment. Under both a base case and severe but plausible downside scenario, the Group would remain within its banking facility and comply with all financial covenants. Following this review, the Committee was satisfied that management had conducted robust viability and going concern assessments and recommended the approval of the viability and going concern statements to the Board. The Viability Statement of the Group is on pages 40 and 41.

Assessment of fair, balanced and understandable reporting

As part of the Committee's work on assessing whether the Annual Report and Accounts, when taken as a whole, is fair, balanced and understandable, the Committee received reports from management setting down the process undertaken, and the factors considered when making the assessment. The Committee reviewed this report and determined that the controls underlying the production of the Annual Report and Accounts were appropriate. The Chief Financial & Operating Officer oversees production of the Annual Report and Accounts, with ownership of each section lying with individuals with recent, relevant experience and knowledge of the detailed content, supported by external advisors as appropriate. A robust review process of inputs by contributors from across the business was conducted to ensure disclosures were balanced, accurate and verified, and further comprehensive reviews were conducted by senior management. The Committee then formally reviewed the draft Annual Report and Accounts and fed back comments and questions to management, satisfied with all responses received.

Governance Committee reports

The Committee also receive reporting from management and review the disclosures on the use of Alternative Performance Measures (APMs) used in the Annual Report and Accounts to ensure they are transparent and fully explained, as well as clearly reconciled, and given no more than equal prominence, to the relevant statutory measures. The Committee concluded that the narrative on APMs included in the Finance Review (on pages 31 and 32) and in note 7 to the financial statements met this objective.

As a result of their work, the Committee has determined the Annual Report and Accounts to be fair, balanced and understandable and recommended it to the Board for approval.

Sustainability-related reporting

During the year the Committee considered and provided oversight of the Group's climate-related financial reporting disclosures in accordance with the requirements under the CFD Regulations, UK Listing Rule 6.6.6(8)R, and SECR reporting.

Under the terms of reference of the Committee, a review was undertaken of the governance and assurance arrangements for these disclosures. This review was supported by reporting from management, which included an overview of the work undertaken by third parties in relation to scenario analysis (to enable full compliance with TCFD) and collation and analysis of carbon emission reporting (to enable accurate SECR disclosures).

The Committee reviewed the assurance obtained by management in relation to numerical sustainability reporting to ensure it was sufficient and appropriate. Based on work undertaken the Committee was satisfied that the Group's climate-related reporting continues to be accurate and consistent.

Internal control and risk management

The Board has delegated responsibility to the Committee for monitoring and reviewing the Group's risk management and internal control systems relating to operating, financial, and compliance internal controls on an ongoing basis and to carry out a review of their effectiveness. During the year, the Committee reported its findings to the Board.

Based on the work of the Committee and reports received from management and internal audit summarised below, it is recommended to the Board that the Group's risk management and internal controls processes were operating effectively throughout the year.

The internal control framework is designed to facilitate effective and efficient operations, ensure a high quality of internal and external reporting, and ensure compliance with applicable laws and regulations. This work is supported by reporting from internal audit on the results of the programme of work completed and the overall assessment of the internal control environment and any reporting, either verbal or written, from senior management covering any investigations or suspected fraudulent activities. Such a system can only provide reasonable and not absolute assurance against material misstatement or loss, acknowledging that no system can eliminate the risk of failure to achieve the Group's strategic priorities entirely.

During the year, the following key controls across the Group were in place, all of which have been evidenced to the Committee through ongoing reporting either direct to the Committee or via Board papers/discussion:

- Key controls over the financial reporting process, including the preparation of financial statements and wider financial reporting process, include:
  - a comprehensive financial review cycle, including a detailed budgeting process where divisions/departments prepare annual budgets for approval by the Board, monthly reporting of trading results for review and, where necessary, an overview of corrective action as well as detailed and regular quarterly re-forecasting
  - regular reviews of key performance indicators and business risks with consequent steps to manage any matters arising
  - procedures for the approval of capital expenditure
  - key financial accounting controls including balance sheet reconciliations, payment controls, payroll approval controls and third party specialist advice relating to inputs for critical accounting judgments and estimates and corporation tax disclosures
  - general regulatory and other compliance controls.
- Annual Board approval of the Group's Risk Appetite Statement and Group Risk Management Policy having taken into account the strategic objectives and business model of the Group as well as the changing environment in which it operates. The Committee supported the Board in a robust assessment of emerging risks, as well as principal risks and how they are being managed and/or mitigated. Risk management on pages 33 to 41 details how these requirements were addressed.
- The Committee reviewed the Climate-related Financial Disclosure report on pages 62 to 67 including the compliance statement under the CFD Regulations and the TCFD framework, with a particular focus on the impact of potential climate-related risks and opportunities on the Group.
- The Board reviewed the ongoing improvements to the information security programme and was provided with regular cyber security and data updates.
- The Corporate Governance report on pages 75 and 76 provides details of a clearly defined management structure and delegation of authority to Committees of the Board, subsidiary boards and divisional board.
- The Committee reviewed an update report on tax compliance and governance, including details of the BRR+ risk assessment carried out by HMRC to assess the level of tax risk in the Group. It also reviewed and recommended to the Board its approval of the Group tax strategy.
- The Board reviewed formal career development and training to ensure the integrity and competence of staff, controls around the engagement of freelancers and other contract staff and for leavers of the organisation.
- Independent confidential whistleblowing service, Safecall, is available for all members of the workforce to report concerns. A whistleblowing policy is in place and all matters raised are investigated and outcomes reported to the Committee. During the year, there were no matters raised.
- The Committee reviewed plans to enhance the internal control environment ahead of expected regulatory and legislative changes.

Internal audit

The Group's internal auditor is KPMG. The primary focus of the internal audit programme is to, on a rotational basis, provide assurance over key financial processes, as well as over the Group's enterprise risk management frameworks and mitigating controls in place to manage emerging and existing principal risks. The internal auditor's work is designed to provide insights into the internal control environment and assess the operating efficiency of key processes and controls, as well as providing broader feedback on the application of the Group Risk Management Policy and related processes.

During the year, KPMG provided regular reporting to the Committee that included: (i) status updates on the performance of audits against the internal audit plan (for FY24); (ii) detailed reports on internal audits completed during the year, including findings and recommendations for improvement; and (iii) a proposed audit plan for FY25. In addition, the internal audit partner shared insight and updates on the status of broader activities underway in relation to corporate governance reform, including the Group's readiness for the implementation of provision 29 of the UK Corporate Governance Code 2024, and provided information on the Failure to Prevent Fraud Offence as part of The Economic Crime and Corporate Transparency Act.

Internal audits completed during the year and to the date of this report, were on Internal Financial Control (Test of Operating Effectiveness), Integrated Assurance Framework, IT Service and System Resilience, Payroll, and Systems Infrastructure/Integration (as it relates to the Greenbird Media acquisition).

For each audit, a detailed report was provided to the Committee that summarised the scope of the audit, identified areas of good practice, and any findings and recommended remediation activities. These reports are designed to give the Committee a detailed insight into the work of internal audit, the outcomes and therefore the strength and operating effectiveness of the Group's risk management activities and internal controls. In turn, this work provides an independent, critical component of the broader assurance sought by the Committee when reporting to the Board its determination of the assessment of the effectiveness of the Group's risk management and control frameworks. These reports also allow the Committee to monitor the role and effectiveness of the internal audit function whilst ensuring it is sufficiently resourced and skilled to provide the assurance required.

Each report was discussed between the Committee, internal auditor and management. In relation to those audits listed above, it was agreed that no high priority findings had been identified and conclusions were reached on the actions to be taken to enhance existing processes. At each Committee meeting, management tables a report that tracks each internal audit finding and related recommended mitigating action to provide the Committee with comfort that responses are being addressed adequately and in a timely manner. The internal audit team also track and test completion of findings on an on-going basis, their exercise in this area being conducted over Q1 2025. There were no matters outstanding at the date of this report and no matters raised to the Committee's attention.

The Committee approved the internal audit plan for FY25 at its meeting in October 2024. The audits confirmed for completion in 2025 are, Core Financial Controls – Treasury, Core Financial Controls – IR35, Broadcast: IT Operations Resilience, and Follow up on prior audits.

External audit

The Committee oversees the relationship with the external auditor and is responsible for assessing its effectiveness, approving its terms of engagement including audit fees, and monitoring the auditors' independence and objectivity.

An external audit tender was carried out in 2022 with Deloitte LLP being appointed from the audit for the financial year ended 31 December 2023. The FY24 audit is therefore their second year as external auditor.

The audit partner and senior manager attend all Committee meetings to ensure full communication of matters relating to the external audit.

During the year, the Committee approved the annual external audit plan and received updates on the progress of the audit.

The Committee reviewed the external auditor engagement letter and agreed the auditors' remuneration, the findings of the external audit including their view on key judgements and the level of challenge provided by the external auditor, and management's responses to control findings, non-compliance and any other findings identified by the external auditor.

The external auditor has confirmed to the Committee that in relation to their services to the Company they comply with UK regulatory and professional requirements, including Ethical Standards issued by the Auditing Practices Board, and their independence and objectivity is not compromised.

External auditor effectiveness

As part of its responsibility for assessing the effectiveness of the external audit process and the external auditors' performance, the Committee sought feedback from its members, the Chief Financial & Operating Officer and senior members of the finance and wider management team, the latter to the extent they were involved in the audit. This feedback covered various aspects of the external audit process, including the audit team; how the audit is both planned and executed; the role of management; and communication. Comments are considered by the Committee and relayed to the auditors and to management. Following completion of this assessment for the 2024 year end, the Committee concluded that it was satisfied with the external auditors' performance and the effectiveness of the external audit process.

Governance Committee reports

Independence policy and non-audit fees

Both the Board and the external auditor have safeguards in place to protect the independence and objectivity of the external auditor, which are detailed in the External Auditor Independence Policy. The Committee is responsible for approving, in advance, any non-audit work undertaken by the external auditor.

Before Deloitte takes on any engagement for other services from the Company, careful consideration is given as to whether the project could conflict with its role as auditor or impair its independence or infringe audit rules. This includes consideration of all safeguards that are in place to mitigate the risks to independence.

Deloitte also has an internal process whereby pre-engagement approval of all non-audit services is required to be given by the Audit Partner.

There is also a policy to regulate the appointment of former audit colleagues to senior finance positions in the Group.

The external auditor is required each year to confirm in writing to the Committee that it has complied with the independence rules of its profession and regulations governing independence, having taken into consideration matters such as the individual independence of members of the engagement team and the firm as a whole and the nature of any non-audit work undertaken.

During the year under review, the non-audit work carried out by Deloitte was in relation to the covenant compliance certificate for the purpose of the covenants under the Group's bank facility agreement. The fees for these were c.5% of the audit fee, and the Committee was comfortable that Deloitte was the most suitable supplier for these services.

Statutory Audit Services Compliance

The Committee confirms that the Group has complied during financial year 2024 and to the date of this report with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, which relates to the frequency and governance for the appointment of the external auditor and the setting of a policy on the provision of non-audit services.

Committee evaluation

The Committee undertakes an annual evaluation process to review its performance and effectiveness as part of the wider Board evaluations. The 2024 internal evaluation assessed the Audit & Risk Committee as being effective and operating well overall relative to its areas of responsibility.

There were no recommended actions arising from the 2024 evaluation process.

Report of the Environmental, Social and Governance (ESG) Committee

The members of the Committee, comprising three Independent Non-Executive Directors, the Chairman of the Board (independent on appointment) and the Chief Executive, were:

David Bergg (Chair)
Naomi Climer
Aki Mandhar
Paul Reynolds
Rufus Radcliffe (appointed 11 December 2024)

The Committee's responsibilities are set out in its terms of reference which are available on the Company's website, www.stvplc.tv.

Three scheduled meetings were held in 2024. At the invitation of the Committee, meetings are attended by the HR & Communications Director and the Chief Financial & Operating Officer.

The appointment of our Chief Executive as a member of the Committee brings invaluable ESG insight to the Committee's discussions, including the views of key external stakeholders, knowledge of our sector and an internal Group perspective on ESG matters.

The principal activities undertaken by the Committee during 2024 have been summarised below:

Month	Activity
February	• Recommendation to the Board the approval of 2024 STV Zero targets • Approval of the ESG Report and ESG Committee Report in the 2023 Annual Report • Recommendation to the Board the approval of 2024 Diversity & Inclusion targets
May	• ESG governance trends • Diversity & Inclusion Strategy: progress report on 2024 targets • STV Zero –progress report on 2024 targets for carbon emissions
December	• STV Zero – progress report on 2024 targets for carbon emissions • Diversity & Inclusion Strategy: progress report on 2024 targets • Recommendation to the Board the approval of 2025 and 2026 Diversity & Inclusion targets • Review of the 2024 Modern Slavery and Human Trafficking Statement

Environment

During the year, the Committee received reports from management on progress against targets set down in STV Zero, the Group's sustainability strategy, as well as broader activities across the Group intended to ensure that sustainability was considered, as appropriate, in decision-making and operations. At the beginning of the year the Committee formally reviewed and recommended to the Board the approval of the proposed 2024 STV Zero targets which reflected the impact from the acquisitions of Greenbird Media and Two Cities Television. The Committee reviewed updates on progress against 2024 targets for carbon emission reduction and considered the internal communication and education programmes of our STV Zero Strategy.

The Committee recommended to the Board the updated sustainability risk register and related mitigating controls, as well as considering the STV Zero strategy in the context of external initiatives and benchmarks including TCFD, Project albert and the Carbon Disclosure Project. Further details can be found in the ESG Report on pages 47 to 68.

Social

In support of the continued focus of the Board and management on building a supportive and inclusive culture that ensures equality of opportunity for all and driving measurable progress, the Committee discussed the activities in this area that focused on STV's Open Access Charter. This Open Access Charter captures the commitments that have been identified to improve diversity and inclusion for employees and extends to the Group's audiences and partners.

At the beginning of the year the Committee formally reviewed and recommended to the Board approval of the proposed 2024 Diversity & Inclusion targets. The Committee reviewed progress against these targets. Throughout the year it received updates on the progress against those targets and in December it recommended to the Board targets for 2025 and 2026. It reviewed, within the talent pipeline and succession planning, where opportunities lay for talent from under-represented groups and considered the communication and education programme internally of our Diversity & Inclusion Strategy. It acknowledged STV's continuing commitment to using its privileged position as an employer, Public Service Media provider, and producer to address under-representation on- and off-screen.

Further details of consideration of the Diversity and Inclusion Strategy in relation to the composition of the Board and Executive Management and their direct reports can be found in the report of the Nomination Committee on pages 84 and 85.

Governance

Our Environmental and Social pillars are underpinned by robust governance, a strong culture and effective policies. In this regard the Committee reviewed ESG Governance trends to identify areas to be addressed in the future. It recommended to the Board that the Company's 2024 Modern Slavery and Human Trafficking Statement be approved.

Committee evaluation

The Committee undertakes an annual evaluation process to review its performance and effectiveness, in line with the other Board Committees and as part of the wider Board evaluation. The 2024 internal evaluation assessed the ESG Committee as being effective and operating well overall relative to its areas of responsibility.

There were no recommended actions arising from the 2024 evaluation process.

Remuneration report

Annual Statement

I am pleased to introduce the Directors' Remuneration Report for 2024. At the AGM in May, we obtained shareholders' approval of the triennial review of the Directors' Remuneration Policy (the 'Policy'). This report sets out how we operated the Policy during 2024, and our intentions for 2025.

Overview of 2024 performance and key events

Performance

Despite operating in challenging conditions in the advertising and commissioning markets, the Group's revenue and adjusted operating profit increased year on year through a combination of scripted commissioning wins, higher advertising revenues and tight management of the cost base as a multi-year savings programme was implemented.

The benefits of scale arising from the successful acquisition strategy in STV Studios provided the business with better resilience to weather the commissioning market downturn that persisted throughout 2024. Across the year, 51 new commissions or recommissions were secured by our family of production labels, producing over 400 hours of programmes.

As a result, STV Studios' revenue grew by 26% to £84.1m. The margin fell slightly due to the mix of productions, with a heavier weighting towards scripted activity in 2024, and inflationary cost pressures tightening production margins.

Although new format wins are more challenging to secure in a tight market, the creative excellence of the team has shone through. Many of the original commissions won in 2024 have the potential to become returning formats in the future.

STV Player's rich menu of content offers viewers an increased choice. Attractive acquired titles, high quality network shows and the appointment to view event of the UEFA Euro 2024 tournament delivered record viewing figures in 2024. On a like for like basis with last year, total sales before commission grew by 8%. On a statutory basis, revenue declined by 4% with an operating margin of 43% delivered.

As audiences migrate from linear to digital platforms, STV remained Scotland's dominant broadcast channel reaching over 2.8 million viewers each month. The UEFA Euros 2024 bolstered advertising revenue in Broadcast with divisional revenue up 4% to £84.4m, as advertisers sought coveted slots to reach the largest television audiences of the year.

The Company's ESG activities deliver a positive social impact and create an organisational culture founded on a clear common purpose about how the business operates. During 2024 the key areas of focus were sustainability and climate action, inclusion, and continued support for communities across Scotland through the STV Children's Appeal. Once again the ESG priorities were included in the personal objectives of the Executive Directors and Management Board and cascaded to all colleagues.

Board changes

Rufus Radcliffe was appointed to the Board as Chief Executive Officer on 1 November following the announcement earlier in the year that Simon Pitts would step down at the end of October. Full details of Rufus Radcliffe's remuneration, which was determined in accordance with the Remuneration Policy, are set out in the report, including details of the share awards made to compensate for incentive awards forfeited from his previous employer.

Simon Pitts served his full contractual notice period of six months during which time he implemented the next phase of the growth plan announced to shareholders at the start of 2024. In recognition of his contribution and efforts to achieve an orderly transition, the Committee decided he should be eligible to participate in a performance-related bonus arrangement in 2024, pro-rated for his period of employment. Simon's unvested share awards all lapsed on cessation of employment. Full details of the remuneration arrangements in respect of Simon's exit are set out on page 95 to 105.

The Committee was pleased to note Lindsay Dixon's promotion to an expanded role encompassing the responsibilities of Chief Financial & Operating Officer in April. The appointment recognised her significant contribution and formalised an increased scope of responsibility in this combined and expanded role. In light of this, the Committee reviewed Lindsay's remuneration package to ensure that it appropriately reflected the significant increase to the scope and remit of her role. The Committee also took into account Lindsay's development and performance since taking on the CFO role in 2019, as well as market data for similar roles. Based on this review, the Committee approved an increase in Lindsay's base salary to £340,000, which took effect on 1 April 2024 to align with the change in the scope of her role.

Remuneration Policy renewal

Another key event of 2024 was securing shareholder approval for the triennial review of the Remuneration Policy. We have consistently received strong support for our approach to executive remuneration from the majority of our register, including most of our largest shareholders. The Committee valued the engagement of shareholders, holding around 65% of our share register, in the Policy review process which provided instructive input to the renewal.

As discussed further below, in recent years there has been a minority vote against our remuneration-related resolutions, and we therefore used the Policy engagement exercise with our key shareholders to further supplement our existing understanding of the range of views. The Committee's objective was to develop an approach that all major shareholders could support, and to this end a range of alternative incentive structures were considered. As reported last year, after full consideration the Committee concluded that none of the potential alternatives were as well suited to the Company's strategy as the nil-cost option (LTIP) structure and – based on the engagement across the shareholder base – may have risked the support of other shareholders and/or the investor bodies. As a result, the Policy renewed a simple framework combining an annual bonus (with an element deferred in shares) with an LTIP. The Committee continues to believe that this framework, consistent with established market practice and best practice guidance for UK-listed companies, is the most appropriate to secure executive talent, reward performance, and align performance with the interests of our shareholders.

2024 remuneration outcomes

The annual bonus plan was based on a balanced set of financial targets (operating profit and cash generation), as well as personal objectives linked to strategic delivery.

The Group's Adjusted Operating Profit for the full year was £20.6m, slightly below the target of £20.7m reflecting the tough advertising and commissioning market conditions that prevailed throughout 2024. Cash flow of £17.7m delivered the maximum payout on this element.

Rufus Radcliffe was eligible to participate in the 2024 annual bonus plan on a pro-rated basis but decided to forego this opportunity in view of his relatively short period of service in the role, and the Company's focus on continued salary restraint as the 2025 salary award was determined.

Both Simon Pitts and Lindsay Dixon performed highly effectively against their personal objectives. Key achievements included the successful launch of the next phase growth plan, regulatory outcomes and a favourable deficit funding plan for the defined benefit pension schemes. The growth plan and associated priorities and targets were positively received by all stakeholders and set the backdrop for the operational momentum that has driven performance in 2024. Securing renewal of the PSB licences with a settlement that enshrined the prominence of digital services delivered a key strategic milestone for STV Player. Engagement with Ofcom continues as the legislation to effect these changes is implemented. In October, the triennial valuation was agreed with the trustees of the Group's legacy pension arrangements on favourable terms for the Company and with no extension to the duration of the recovery plan. Additionally key ESG priorities, including achievement of long-term diversity targets and continued progress to reduce the carbon impact of the business, were achieved. Reflecting on these significant achievements, the Committee determined that the personal objectives element of the bonus would pay-out at 95% for both Executive Directors.

This overall performance resulted in a final bonus outcome for 2024 of 73% of maximum for Lindsay Dixon. In line with the Remuneration Policy, 20% of the bonus will be deferred in STV Group plc shares, which will vest after three years. The bonus payable to Simon Pitts was pro-rated reflecting his service and reduced by 20% as the deferred element of bonus, designed as a retention mechanism, is not payable. As a result, a final bonus outcome of 58% of maximum was awarded. Further details on the bonus targets and the performance delivered are set out on page 96.

During the year, the 2022 Long Term Incentive Plan (LTIP) award vested by reference to performance over the three-year period to 31 December 2024. This award was based on EPS growth, non-broadcast earnings and total shareholder return (TSR) performance. In light of the very challenging market conditions over the period, none of the performance targets were met resulting in no vesting from the plan. Further detail on the targets and outcome is set out on page 99.

The Committee reviewed these formulaic outturns against a broader assessment of underlying performance for our stakeholders over the respective performance periods. The Committee noted the financial performance of the business through a sustained period of exceptionally challenging market conditions but also considered the wider remuneration outcomes for staff across the business and recognised the impact of market conditions. Overall, the Committee concluded that the bonus and LTIP outcomes described above were an appropriate reflection of these factors.

Company-wide remuneration

The Committee has continued to have oversight of remuneration and related policies across the organisation and gives due consideration to these when determining pay for Executive Directors.

In 2024, as detailed in last year's report, we continued our approach of providing higher levels of salary increase to our lowest paid colleagues. Over 70% of colleagues received an increase of £1,500, delivering an inflation-linked increase to two-thirds of this group; 20% received an increase of £1,250; while management roles received increases of £1,000. The average increase across all employees was 4%. Additionally, an all-colleague profit-sharing plan was introduced with between 20% and 33% of the maximum payment made at the mid-year to provide further support to colleagues with continuing cost of living pressures, and following improved trading driven by the UEFA Euros 2024 tournament. A final payment to deliver a combined payout of 50% of the maximum opportunity, representing on target performance, will be made in March 2025 to colleagues eligible to participate in the plan.

In 2025, the Company has reverted to an across-the-board award delivering the same increase of 3% to all colleagues regardless of their base salary.

Implementation of Policy for 2025

Consistent with the Company-wide framework for salary increases described above, with effect from 1 January 2025, Lindsay Dixon received an increase to her base salary of 3%. This follows several years in which the salary awards for the Executive Directors have been significantly below the average increase for all employees demonstrating the Committee's continued commitment to a restrained and responsible approach to executive salaries. As he took up his appointment in November 2024, Rufus Radcliffe's salary will be next reviewed on 1 January 2026.

Executive Directors will participate in the annual bonus and LTIP, with award opportunities aligned to the Policy and unchanged from 2024. For the annual bonus, we propose to retain the existing framework based on Operating Profit (50%), Cash Flow (25%) and stretching personal objectives (25%) linked to key strategic and operational goals. Personal objectives will continue to relate to key success factors in progressing strategic delivery including launching the next phase of the strategy and vision for STV in 2030; delivery of efficiency and cost savings targets; and continued progression of all aspects of the ESG strategy.

Last year, the Committee made some changes to the LTIP performance measures to enhance their alignment to strategy. As described on page 7, a refresh of the strategy is currently being undertaken, and we expect to announce an update before the half year. To ensure that the 2025 LTIP award remains optimally aligned to the strategy, details of the performance measures and targets will be confirmed

Remuneration report

when the updated strategy is announced. At this stage, the Committee anticipates that the majority of the award will continue to be based on EPS and TSR performance, suitably reflecting both 'bottom line' financial performance and shareholder value creation, and in line with the views expressed by shareholders during the recent policy review.

Voting outcome at the 2024 AGM

The Committee noted that all remuneration-related resolutions had more than 20% votes cast against at the 2024 AGM. This reflects a pattern of votes cast in recent years, dating back to the adoption of the previous Remuneration Policy at the 2021 AGM. Over this period we have regularly engaged with major shareholders, including in respect of the renewal of the Remuneration Policy last year, and have consistently received strong support from the majority of our register, including most of our major shareholders. Through our ongoing dialogue with the one major shareholder who has voted against, previously and during last year's engagement exercise, the Committee understands and acknowledges their concern around one specific element of our Policy, namely the use of nil-cost options in the LTIP. As described in the Policy renewal section above, this feedback was taken into account, alongside that of our other shareholders, in developing the final Policy proposals.

In conclusion

Once again, I would like to thank shareholders for their engagement and support during last year's review of the Remuneration Policy and confirm our intention to continue an open and ongoing dialogue going forward. Our Directors' Remuneration Report, including this Annual Statement, will be subject to an advisory vote at the 2025 AGM – I look forward to your continued support and would be happy to answer any questions you may have on our executive remuneration arrangements.

Naomi Climer
Chair of the Remuneration Committee
11 March 2025

Summary of Directors' Remuneration Policy

The Directors' Remuneration Policy ('the Policy'), determined by the Group's Remuneration Committee ('the Committee') was approved by shareholders at the 2024 Annual General Meeting and is available in full on the Company's website: www.stvplc.tv or from the Company Secretary. When developing the Policy, the Committee confirmed the key principles it believes should underpin the remuneration framework. These are:

- Closely align rewards with the delivery of Company strategy;
- Ensure a significant proportion of the awards are based on long-term success criteria;
- Reflect changes in best practice and governance;
- Simplify and streamline the framework for clarity and effectiveness; and
- Ensure market competitiveness.

The section below provides a summary of the key elements of our remuneration framework.

Base salary: The Committee sets salaries as a retainer for the Executive Directors to recognise status and responsibility to deliver the strategy

- Set taking into consideration several factors including the scope and responsibilities of the role, the skills, experience and performance of the individual, and other external and internal reference points.
- Normally reviewed on an annual basis.
- In general, any salary increase for Executive Directors will be in line with other employees in the Group.

Benefits: To provide competitive levels of employment benefits consistent with the role

- Executive Directors are entitled to receive a taxable cash allowance.
- Paid in lieu of benefits in kind, including car and private medical insurance, currently £25,000 pa.
- Executive Directors are eligible to participate in the Company's Save As You Earn plans on the same terms as all employees.

Pension: To provide competitive levels of retirement benefits

- The Group operates a number of different pension arrangements. Executive Directors have the option to receive a taxable allowance in lieu of pension benefits.
- The maximum pension contribution or taxable cash allowance in lieu of pension is set in line with the wider workforce, currently 7% of base salary.

Annual bonus: Aligns reward to the delivery of annual financial and strategic performance measures; deferral creates long-term alignment with shareholders

- Maximum annual opportunity of 150% of salary for the Chief Executive Officer and 125% of salary for the Chief Financial & Operating Officer.
- Payment is determined by reference to performance assessed over one financial year based on a range of financial and strategic measures.
- The Committee has discretion to adjust the formulaic outcome if it considers that this is inconsistent with overall Group performance, taking into account any factors it considers appropriate.
- A proportion of any bonus (20%) is deferred and normally vests over three years.
- Recovery provisions apply, including expanded malus and clawback provisions implemented through the 2024 policy review.

Long Term Incentive Plan: Aligns reward to the delivery of long-term financial performance delivered for shareholders

- Maximum award in respect of a financial year is normally 100% of salary.
- Vesting is determined by reference to performance assessed over a period of at least three years, based on performance measures that the Committee consider to be aligned to the delivery of strategy and creation of long-term shareholder value.
- The Committee has discretion to adjust the formulaic outcome if it considers that this is inconsistent with overall Group performance, taking into account any factors it considers appropriate.
- A post-vesting holding period of two years applies.
- Recovery provisions apply, including expanded malus and clawback provisions implemented through the 2024 policy review.

Shareholding requirement: To strengthen long term alignment with shareholders

- Executive Directors are required to build a holding equivalent to 150% of their annual salary.
- On leaving the Board, Executive Directors are required to maintain their in-employment shareholding guideline (or actual shareholding if lower) for a period of two years.

Remuneration report

Annual Report on Remuneration

This section of the report sets out how the Policy will be implemented in 2025 and how it was implemented during 2024. Some sections of this report, where indicated, have been audited.

Statement of implementation for 2025

Executive Directors

Salaries

Base salaries with effect from 1 January 2025 are shown in the table below.

Executive Director	2025 salary (£)	2024 salary (£)	Increase (£)	Increase (%)
R Radcliffe	430,000	430,000[1]	n/a	n/a
L Dixon	350,200	340,000[2]	10,200	3%

1 Salary set on appointment in November 2024.
2 Following promotion to the role of CF&OO on 1 April 2024, L Dixon's salary was adjusted from £245,246 to £340,000 to reflect the increased scope of the role.

For 2025, we returned to applying the same level of percentage increase (3%) to all employees, representing a change in approach to the previous two years where increases were differentiated depending on the level of base salary, focused on delivering a higher increase to our lowest paid colleagues during that period of high inflation.

As described earlier, with effect from 1 April 2024, Lindsay Dixon was promoted to an expanded role encompassing the responsibilities of Chief Financial & Operating Officer. In light of this, the Committee reviewed Lindsay's remuneration package to ensure that it appropriately reflected the significant increase to the scope and remit of her role. The Committee also took into account Lindsay's development and performance since taking on the CFO role in 2019, as well as market data for similar roles. Based on this review, the Committee approved an increase in Lindsay's base salary to £340,000, which took effect on 1 April 2024, to align with the change in the scope of her role. No other changes to Lindsay's package were made. For 2025, Lindsay will receive an increase of 3%, aligned to the workforce average noted above.

Rufus Radcliffe was not eligible for a salary review at this time as he was appointed in November 2024; his salary will be reviewed in January 2026.

Benefits and pension

In line with the Policy, the Executive Directors will receive a taxable cash allowance in lieu of benefits-in-kind of £25,000 and a pension contribution (or cash allowance) aligned to the wider workforce rate of 7% of salary.

Annual bonus

The annual bonus will operate in line with the Policy. The maximum bonus opportunity is 150% of salary for the Chief Executive Officer and 125% of salary for the Chief Financial & Operating Officer.

For 2025, the bonus will be based on stretching targets set for the performance measures in the table below.

Performance measure	Weighting (% of max)
Adjusted operating profit	50%
Cash flow	25%
Personal objectives	25%

Personal objectives for 2025 will relate to key success factors in progressing and delivering the strategy and long-term plan, including:

- Securing Board approval of a refresh of the Group's strategy to define a long-term growth and value creation plan to 2030
- Successful communication and implementation of the refreshed strategic plan to all stakeholders
- Effective capital management and financing to further strengthen the balance sheet and provide financial flexibility to enable investment in future growth
- Continued delivery of the Group's positive social impact through achievement of key ESG targets, including diversity and inclusion targets set for 2025 and 2026 and the next phase of STV Zero sustainability strategy.

The Committee believes that the annual bonus performance targets are commercially sensitive, and that it would be detrimental to the interests of the Company and its shareholders to disclose them fully at this time. It is the Committee's intention to disclose the targets and performance achieved against them in the next Annual Report on Remuneration, providing the Committee is satisfied that the targets are no longer sensitive.

In line with the Policy, 20% of any bonus received will be deferred in shares for a period of three years.

Long-term Incentive Plan

In 2025, the Executive Directors will receive awards under the LTIP at the level of 100% of salary. Awards will vest after three years and will be subject to a two-year holding period post-vesting.

Last year the Committee made some changes to the LTIP performance measures to enhance the alignment to strategy. As described on page 7, a refresh of the strategy is currently being undertaken, and we expect to announce an update before the half year. To ensure that the 2025 LTIP award remains optimally aligned to the strategy, details of the performance measures and targets will be confirmed when the updated strategy is announced. At this stage, the Committee anticipates that the majority of the award will continue to be based on EPS and TSR performance, suitably reflecting both 'bottom line' financial performance and shareholder value creation, and in line with the views expressed by shareholders during the recent policy review.

To compensate Rufus Radcliffe for the forfeiture of equity awards from his previous employment as a result of joining STV, the Committee determined that replacement awards would be granted. In line with the recruitment section of our Remuneration Policy, these awards will mirror the value, vesting schedule and performance requirements of the forfeited awards. Rufus Radcliffe will receive awards over STV Group plc shares with an aggregate value of approximately £60,000. These will vest in March 2025 and March 2026, subject to the disclosed outcome of the equivalent forfeited awards. Full details of the awards will be disclosed in next year's report.

Non-Executive Directors

The fees for the Non-Executive Directors for 2025 are set out in the following table. Increases are aligned to the average for the wider workforce described above.

Non-Executive Director	2025 fees (£)	2024 fees (£)	Increase (£)	Increase (%)
Chairman fee	156,560	152,000	4,560	3%
Basic Non-Executive Director fee	47,380	46,000	1,380	3%
Additional fees: Senior Independent Director	13,493	13,100	393	3%
Additional fees: Chair of Board Committees excluding Nomination	7,725	7,500	225	3%

Single total figure of remuneration

Executive Directors (audited)

The table below sets out the single total figure of remuneration for the Executive Directors for the 2024 and 2023 financial years.

Executive Director		Salary £000	Taxable benefits £000	Pension £000	Total fixed £000	Annual bonus £000	Long-term incentives £000	Total variable £000	Total £000
R Radcliffe	**2024**	**72**	**4**	**3**	**79**	**n/a**	**n/a**	**–**	**79**
	2023	n/a							
S Pitts	**2024**	**362**	**25**	**13**	**400**	**316**	**n/a**	**316**	**716**
	2023	434	25	14	473	229	38	265	740
L Dixon	**2024**	**316**	**25**	**15**	**356**	**288**	**–**	**288**	**644**
	2023	244	25	14	283	108	22	128	413

Notes to the single figure table

Rufus Radcliffe was appointed on 1 November 2024. Simon Pitts left employment on 31 October 2024.

Taxable Benefits – represents a taxable cash allowance in lieu of benefits-in-kind, as set out in the Remuneration Policy.

Pension – Rufus Radcliffe and Lindsay Dixon are members of the Company's defined contribution scheme. The scheme has an employer contribution of 7% of salary up to the pension cap of £223,800. Simon Pitts received a taxable cash allowance in lieu of pension and life assurance. For 2024, this was set at 7% of salary (up to the pension cap of £223,800) in line with the wider workforce.

Annual Bonus – The figure in the table includes the value of bonus earned in respect of the relevant financial year. Rufus Radcliffe decided to forego his entitlement to a pro-rated bonus payment in 2024. 20% of the annual bonus earned by Lindsay Dixon will be deferred for three years and paid in shares. Bonus earned by Simon Pitts has been pro-rated to his period of employment in 2024; he is not eligible to receive the deferred element.

Long-term Incentives – The 2024 row represents the value of the 2022 LTIP award which is due to vest in March 2025 based on performance over the three-year period to 31 December 2024. As described below, performance targets were not met resulting in no vesting from the plan. The 2023 row represents a value for the 2021 LTIP award which had a vesting outcome in March 2024 of 15.2% based on performance over the three-year period to 31 December 2023. The value has been restated from that shown last year based on the share price on the date of vesting of 198.50 pence. No dividend equivalents were received on the vested shares of this award.

Annual bonus (audited)

The maximum annual bonus opportunity for Simon Pitts was reduced as the payment was pro-rated to the term of his employment in 2024 and the 20% deferred element of the maximum opportunity was not payable. Lindsay Dixon's maximum annual bonus opportunity in 2024 was 125% of salary. Rufus Radcliffe was eligible to participate in the 2024 annual bonus on a pro-rated basis but decided to forego this opportunity in view of his relatively short period of service and the Company's focus on continued salary restraint as the 2025 salary award was determined. The bonus was based predominantly on financial performance (50% Adjusted Operating Profit and 25% Cash Flow), with the remaining 25% based on stretching personal targets linked to strategic delivery. The performance targets for the 2024 bonus were set by the Committee at the start of the year and by reference to the annual budget, which itself is set in the context of the Board's long-term strategy. The target ranges are set to be appropriately stretching by requiring significant

Remuneration report

outperformance of expectations for maximum pay-out, whilst at the same time being considered feasible in the context of the budget and strategic plan.

Payment for achievement of personal objectives is close to maximum levels as exceptional progress against key longer-term strategic targets was delivered by both Simon Pitts and Lindsay Dixon during the year.

The table below sets out the targets and performance achieved against these for the year ended 31 December 2024.

For the 2024 bonus, 20% will be deferred for three years and paid in shares for Lindsay Dixon. Simon Pitts will receive 80% of bonus earned as the deferred element which is intended as a retention mechanism will not be paid.

Performance condition	Weighting	Performance targets: Threshold (10% of max)	Target (50% of max)	Maximum (100%)	Actual performance: (£m)	(% of max) S Pitts	L Dixon
Adjusted operating profit	50%	£18.6m	£20.7m	£22.8m	£20.6m	24%	
Cash flow	25%	£11.4m	£14.2m	£17.0m	£17.7m	25%	
Personal objectives	25%	See below				23.75%	23.75%
Total (% max)	100%	–				72.75%	72.75%
Total (£)						£316,462	£287,820

A full assessment of performance against personal objectives is set out below for both Simon Pitts and Lindsay Dixon.

Simon Pitts, Chief Executive	
Growth strategy Successful launch of next phase of STV growth strategy and equity story	• Refreshed strategy, financial targets and KPIs successfully launched in Q1 and positively received by internal and external stakeholders as an ambitious extension of the STV growth plan • Year 1 (2024) cost savings target of £1.5m delivered
ESG Continue to grow the Company's positive impact through delivery of ESG priorities	STV Zero • Continued strong progress against all targets with 12 of 14 targets achieved or exceeded • Additional targets set for 2024, including incorporating new governance and disclosure obligations into Company reporting, have been achieved Diversity & Inclusion • Strategic priorities for 2024 delivered and 8 of 9 targets achieved or exceeded • New targets for 2025 and 2026 agreed and communicated
STV Studios Accelerate towards 2025 goal of becoming the UK's no.1 nations & regions producer	• Investment strategy delivering with a further two labels consolidated into the Group • Consolidation of label portfolio completed • 51 new programme commissions and recommissions across all genres secured in 2024 • Growth of international operation generating c.45% of 2024 revenues • Completion of integration of Greenbird Media, delivering synergies in excess of £900k target
Digital Drive STV Digital growth and profitability	• Successful delivery of third-party content strategy to account for 26% of consumption in 2024 • Growth in Digital sales (pre commission) of 8% and strong margin achieved • STV Player+ successfully progressed, including securing strategic partnership with Premier Sports for launch in Q1 2025
Public policy and regulation Secure favourable outcomes for STV through PSB licence renewal	• New Media Act given Royal Assent enshrining prominence for public service broadcasters and their digital services, explicitly including STV Player • STV's new 10-year licence confirmed and issued, with PSB status secured until the end of 2034 • Delivered stakeholder engagement programme securing strong relationships with Regulator and Westminster and Holyrood politicians

Based on the above assessment of performance, the Committee determined for the personal element an award of 23.75% of maximum for Simon Pitts.

Lindsay Dixon, Chief Financial & Operating Officer	
Growth strategy and investor proposition Support successful launch	• Successful investor launch of refreshed strategy, including development of strategic priorities, financial targets and KPIs • Increased levels of liquidity in STV stock resulting, for the first time, in FTSE Russell liquidity test being met in every month of 2024
Cost savings programme Develop and implement multi-year programme	• Year 1 (2024) cost savings target of £1.5m exceeded by £0.4m • Completion of integration of Greenbird Media and realisation of target level of synergies
Defined benefit pension schemes Undertake triennial funding valuation	• Triennial valuation completed in October 2024 within statutory timeline • New valuation settlement is based on a reduced total cash commitment and no extension to the duration of the deficit funding plan. Contingent cash mechanism paused until at least 2028 (previous contingent payments totalled c.£5m)
ESG Continue to grow the Company's positive impact through delivery of ESG priorities	STV Zero • Continued strong progress against all targets with 12 of 14 targets achieved or exceeded • Additional targets set for 2024, including incorporating new governance and disclosure obligations into Company reporting, have been met Diversity & Inclusion • Strategic priorities for 2024 delivered and 8 of 9 targets achieved or exceeded • New targets for 2025 and 2026 agreed and communicated
Governance Drive increased cyber security/resilience Corporate governance and assurance	Cyber security • Planned overhaul of infrastructure and network segmentation completed to specification • Enhanced business continuity processes introduced Corporate governance • Readiness programme for corporate governance changes in relation to assurance delivered

Based on the above assessment of performance, the Committee determined for the personal element an award of 23.75% of maximum for Lindsay Dixon.

Long-term Incentive Plan vesting (audited)

The table below sets out the performance achieved for the 2022 LTIP award, which was subject to performance over the three-year period from 1 January 2022 to 31 December 2024.

Performance condition	Weighting	Threshold vesting (25% of maximum)	Maximum vesting (100% of maximum)	Actual outcome	Percentage vesting (% of maximum)
EPS	50%	4%	11%	(19%)	Nil
Non-broadcast operating profit	30%	£15.0m	£19.5m	£14.0m	Nil
Relative TSR	20%	Median	Upper quartile	Below median	Nil
	100%			**Overall vesting**	Nil

Consideration of formulaic outcomes

The Committee considered the formulaic outcomes of the annual bonus and LTIP in the context of the current external environment, wider Company and individual performance, the shareholder experience, and the treatment of all other employees of the Group. In view of the Group's financial performance in the current trading environment and continued positive progress in delivering the strategic plan, the Committee concluded that the formulaic outcomes of the annual bonus and LTIP were appropriate, and no discretion was applied.

Scheme interests awarded in the 2024 financial year (audited)

The table below shows awards made to Lindsay Dixon during 2024 under the LTIP. As Simon Pitts had tendered his resignation by the date of grant, he was not eligible to participate in the award.

Executive Director	Award type	Date of grant	Basis of award	Number of shares awarded[1]	Face value of award	Threshold vesting	Performance period
L Dixon	LTIP	03/05/24	100% of salary	129,436	£310,000	25% of maximum	01/01/24-31/12/26

1 Calculated using the closing share price of 239.5 pence on the date prior to the date of award.

These awards will vest after three years, subject to the performance targets set out in the table below. An additional two-year holding period will apply to any shares vesting.

Remuneration report

Performance measure	Calibration of targets	Weighting	Threshold vesting (25% of maximum)[1]	Maximum vesting (100% of maximum)[1]
EPS	Compound Annual Growth Rate in Adjusted EPS over the three year period to FY26	40%	4%	10%
Group margin	Adjusted Group Operating Profit	20%	8%	13%
Digital and STV Studios revenue growth	Compound annual Growth Rate in Revenue from Digital and STV Studios over the three year period in FY26	20%	15%	25%
Relative TSR	Ranked position of the Company's total shareholder return ('TSR') against the constituents of the FTSE Small Cap index (using 3 month averaging)	20%	Median	Upper quartile

1 There is no vesting for performance below threshold, and straight-line vesting between threshold and maximum.

Payments for loss of office (audited)
Simon Pitts stepped down as Chief Executive Officer and as Director on 31 October 2024. Details of his remuneration arrangements are as follows:

- He received his salary and contractual benefits up to 31 October 2024. As his contractual notice was served on 1 May 2024 and was worked in full, there was no payment in lieu of notice.
- He remained eligible to receive an annual bonus in respect of the 2024 financial year, and details are set out on page 97.
- The deferred element of previous annual bonus payments which have not yet been released (2023, 2022 and 2021 deferred bonus plans) lapsed in full on cessation of employment.
- Unvested awards made under the LTIP in 2022 and 2023 lapsed in full on cessation of employment. Vested awards made in 2021 and 2020 (19,309 shares and 52,071 shares respectively), were released following cessation. These, along with all other shares beneficially held, are now subject to the two-year post-employment shareholding requirement.
- No other remuneration payment or payment for loss of office was made.

Payments to past Directors (audited)
No payments were made to past Directors during the current or prior years.

External appointments
None of the Executive Directors held any external appointments during the year.

Non-Executive Directors (audited)
The table below sets out the single total figure of remuneration for each Non-Executive Director. Non-Executive Directors do not participate in any of the Company's incentive arrangements, nor do they receive any benefits.

Non-Executive Director	Financial year	Basic fees £	Additional fees £	Total fees £
P Reynolds	**2024**	**152,000**	**–**	**152,000**
	2023	152,000	–	152,000
S Miller	**2024**	**46,000**	**13,100**	**59,100**
	2023	46,000	13,100	59,100
I Steele[1]	**2024**	**15,511**	**2,529**	**18,040**
	2023	46,000	7,500	53,500
D Bergg	**2024**	**46,000**	**7,500**	**53,500**
	2023	46,000	4,375	50,375
A Mandhar	**2024**	**46,000**	**–**	**46,000**
	2023	46,000	–	46,000
N Climer	**2024**	**46,000**	**7,500**	**53,500**
	2023	26,833	4,375	31,208
C Jones[2]	**2024**	**17,833**	**–**	**17,833**
	2023	–	–	–

1 Stepped down from the Board on 1 May 2024.
2 Appointed as Non-Executive Director and Chair of the Audit & Risk Committee on 2 September 2024.

Statement of Directors' shareholding and share interests at 31 December 2024 (audited)
Under the Remuneration Policy, Executive Directors are required to build up a shareholding equal to 150% of salary. Executive Directors will also, on leaving the Board, be required to maintain this in-employment shareholding guideline (or their actual shareholding if lower) for a period of two years.

The shareholding requirement for Non-Executive Directors is set at the level of 20,000 shares for the Chairman and 5,000 shares for other Non-Executive Directors.

Director	Number of beneficially owned shares at 31/12/24[1]	Number of unvested deferred awards[2]	Number of unvested LTIP awards at 31/12/24	Current shareholding (% salary)	Shareholding requirements	Requirement met at 31/12/24
R Radcliffe	–	–	n/a	0%	150% of salary	
S Pitts	228,482	–	–	115%	150% of salary	n/a[3]
L Dixon	8,785	110,571	226,430	6%	150% of salary	n/a[3]
P Reynolds	25,000	n/a			20,000 shares	Y
S Miller	7,577	n/a			5,000 shares	Y
I Steele	9,698	n/a			5,000 shares	Y
D Bergg	12,489	n/a			5,000 shares	Y
A Mandhar	6,381	n/a			5,000 shares	Y
N Climer	5,000				5,000 shares	Y
C Jones	10,000	n/a			5,000 shares	Y

1 Beneficial interests include shares held directly or indirectly by connected persons and are stated at the year end or, for a Director who stepped down during the year, as at the date of stepping down.
2 For Lindsay Dixon this relates to the deferred portion of her 2021,2022 and 2023 annual bonus plans. Additionally, as shown above, both hold unvested LTIP awards which are in excess of the shareholding guidance of 150% of salary.
3 The shareholding requirement is on track to be met by Lindsay Dixon in the near future as vested awards with holding periods and deferred awards are released. The Committee is confident that she retains a strong interest in the Group.

There were no changes to the shareholdings above between the year end and the date of this report.

The following table provides further detail on the share awards held by Simon Pitts and Lindsay Dixon. Rufus Radcliffe decided to forego his entitlement to participate in the 2024 Deferred Bonus Plan on a pro-rated basis and has not yet been granted an award under the LTIP.

Executive	Award	Granted	Held at 31/12/23	Granted in year	Released in year	Lapsed in year	Held at 31/12/24	Vesting dates[1]
S Pitts	2021 LTIP	24/3/21	127,036	–	19,309	107,727	–	24/3/24
	2022 LTIP	11/3/22	134,937	–	–	134,937	–	11/3/25
	2023 LTIP	17/3/23	172,142	–	–	172,142	–	17/3/26
	2024 LTIP	Not eligible to participate as under notice of resignation at date of grant						
	2022 DBP	10/3/22	24,160	–	–	24,160	–	n/a
	2023 DBP	Deferred element, 20%, not awarded as under notice of resignation at date of award						
L Dixon	2021 LTIP	24/3/21	71,323	–	10,841[2]	60,482	–	24/3/24
	2022 LTIP	11/3/22	75,758	–	–	–	75,758	11/3/25
	2023 LTIP	17/3/23	96,994	–	–	–	96,994	17/3/26
	2024 LTIP	3/5/24	129,436	129,436	–	–	129,436	3/5/27
	2022 DBP	10/3/23	11,424	–	–	–	11,424	10/3/26
	2023 DBP	2/4/204	9,233	9,233	–	–	9,233	2/4/27

1 LTIP awards are subject to an additional two-year holding period following vesting.
2 As disclosed in last year's report, the 2021 LTIP vested at 15.2% of the maximum based on performance over the three year period to 31 December 2023. Vested nil-cost options can be exercised for a period of up to ten years from the date of grant.

Dilution

The following table sets out the current level of dilution against the limits in the bonus and long-term incentive plan and sets out the commitments to issue shares made during the financial year reported:

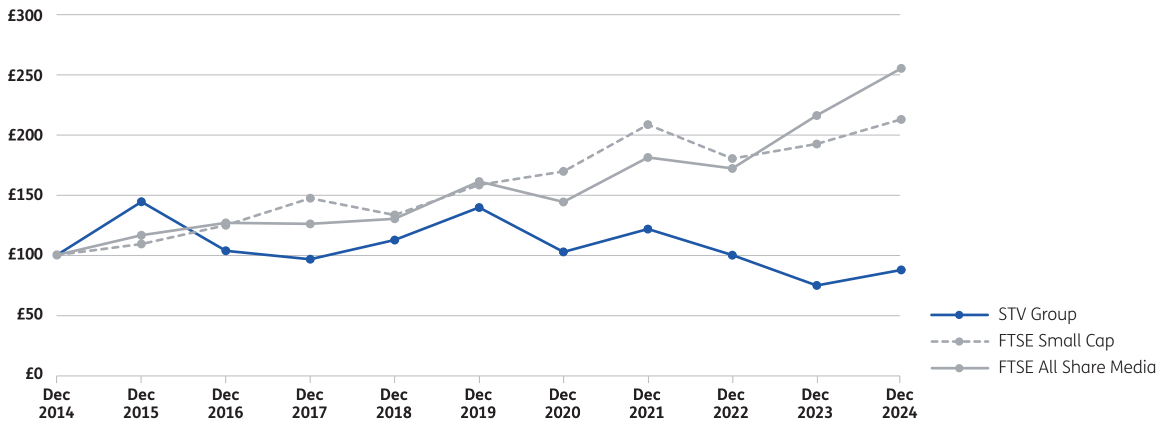
Maximum	Current dilution	Additional dilution during the year in question
10% dilution in ten years	4.98	(1.32)
5% dilution in ten years	0.25	(0.14)

Remuneration report

Performance graph and table

The graph below shows the Company's performance, measured by total shareholder return ('TSR'), compared with the performance of the FTSE Small Cap and FTSE All Share Media indices. The FTSE Small Cap index is used as a performance measure under the LTIP, and the FTSE All Share Media index provides a comparison of performance against companies in the media sector.

The chart illustrates the performance of a hypothetical investment of £100 in ordinary shares of STV Group plc over the ten-year period to 31 December 2024, compared to a similar investment in the FTSE Small Cap or FTSE All Share Media indices. TSR data is based on Returns Index data, calculated on a daily share price growth plus re-invested dividends (as measured at the ex-dividend rates).



CEO single figure of total remuneration

The information in the table below shows the total remuneration for the Chief Executive over the last 10 years.

Year	Chief Executive	Single figure of total remuneration (£000)	Bonus pay-out (% maximum opportunity)	Long-term incentive vesting (% maximum opportunity)
2024	R Radcliffe	79	n/a[1]	n/a
2024	S Pitts	716	58[2]	n/a
2023	S Pitts	738	35	15
2022	S Pitts	949	47	35
2021	S Pitts	1,337	96	50
2020	S Pitts	467	–	–
2019	S Pitts	1,050	87	18
2018	S Pitts	1,712[3]	72	–
2017	R Woodward	697	32	14
2016	R Woodward	807	29	–
2015	R Woodward	2,269	49	100

1 Although eligible to receive a pro-rated bonus in 2024, Rufus Radcliffe decided to forego this payment.
2 Simon Pitts' bonus payment was pro-rated to reflect period of employment and the deferred element, designed as a retention mechanism, was not awarded.
3 Simon Pitts' single figure for 2018 includes an amount of £857,000 in respect of his buy-out package paid to compensate for forfeited remuneration from his previous employer. His single figure excluding this amount would have been £855,000.

Percentage change in remuneration

The table below shows the percentage change in the salary/fees, benefits and annual bonus of all Directors of the Company compared to all employees from 2020 to 2021, 2021 to 2022, 2022 to 2023 and 2023 to 2024. The data is compared on 31 December in the earlier period against 1 Jan in the later year to reflect any increase applied to salary/fee levels annually on 1 January.

	Salary/fees[2]				Taxable benefits				Annual bonus			
	2024	2023	2022	2021	2024	2023	2022	2021	2024	2023	2022	2021
All employees	4%	4.4%	3%	0%	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
S Pitts	0.2%	0.4%	3%	15%[2]	0%	(84)%	0%	62%	32%	(25)%	(50)%	n/a[3]
L Dixon	0.4%	0.8%	3%	15%[2]	0%	0%	39%	16%	166%	(25)%	(50)%	n/a[3]
P Reynolds[4]	0%	1.3%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
S Miller	0%	3.5%	7%	15%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
I Steele	0%	3.9%	14%	15%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
D Bergg	0%	14.4%	10%	15%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A Mandhar[4]	0%	4.5%	10%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
N Climer	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
C Jones	n/a											

1 These benefits are not available to all employees.
2 All Executive and Non-Executive Directors volunteered a 25% cut in base salary/fees from 1 April to 31 August 2020, in response to Covid-19, and so the increase in salary/fees in 2021 reflects reinstatement to full pay and is not a real increase.
3 Following suspension of the annual bonus plan in 2020, it was reinstated in 2021 with an outcome of 96.25% and 97.5% of the maximum for the Chief Executive and Chief Financial Officer respectively.
4 Appointed on 1 February 2021.

Chief Executive pay ratio

The table below discloses the ratio of the Chief Executive's pay for 2024, using the single total figure of remuneration (as disclosed on page 97), to the comparable earnings of employees at the 25th, 50th and 75th percentiles.

Year	Method	25th percentile (P25) pay ratio	Median (P50) pay ratio	75th percentile (P75) pay ratio
2024	Option B	25:1	18:1	15:1
2023	Option B	27:1	21:1	14:1
2022	Option B	37:1	29:1	21:1
2021	Option B	54:1	39:1	32:1
2020	Option B	20:1	14:1	11:1

The ratios were calculated using Option B in the disclosure regulations, with the employees at the 25th, 50th and 75th percentiles determined based on the Group's gender pay data. Total remuneration for 2024 for these employees was then calculated using a valuation methodology consistent with that used for the Chief Executive in the single figure table on page 97. Whilst the gender pay gap legislation and CEO pay ratio legislation employ different calculations, the Committee considers that the three identified employees are reasonably representative of the respective percentiles. The calculation is undertaken on a full-time equivalent basis.

The salary and total remuneration received during 2024 by employees at the 25th, 50th and 75th percentiles and used in the above analysis is as follows:

	25th percentile (P25)	Median (P50)	75th percentile (P75)
2024 salary £	26,163	35,500	43,500
2024 total remuneration £	32,149	43,591	51,745

A significant proportion of the Chief Executive's total remuneration is delivered in variable remuneration, the value of which is linked to stretching performance targets and, in the case of LTIP awards, share price performance. As a result, the pay ratio is driven largely by the outcome of these awards hence the significant fluctuations on a year-to-year basis. In comparison to last year, the pay ratio has decreased in the lower and median pay quartiles and remained constant against the upper pay quartile. The decrease is due to the impact on the Chief Executive's remuneration following his resignation, which led to no element of the bonus plan being deferred in shares and zero vesting under the 2022 LTIP, reflecting this principle of higher proportion of variable remuneration.

The Committee considers the median pay ratio to be consistent with the pay, reward and progression policies for STV's employees, the majority of whom receive fixed remuneration only. Only colleagues in the Commercial team or in senior management roles are eligible to participate in a bonus plan.

Remuneration report

Workforce pay

The Committee has oversight of remuneration and related policies across the Company and gives them due consideration when determining pay for Executive Directors. All roles across the Company are graded with reference to a compensation and benefits survey of companies in the UK media and technology sectors undertaken by Willis Towers Watson. The Company's policy is to ensure pay and benefits provided are positioned fairly; are market competitive in the context of the relevant talent market; and reflect market data and other relevant benchmarks for each role. Pay ratios are also considered as one of several reference points when making decisions on remuneration.

The Company continues to develop its approach to employee engagement on executive remuneration, building on the various mechanisms in place to gather feedback from colleagues, including regular 'Have Your Say' employee engagement surveys and engagement with trade union representatives in relation to the roles within the business covered by a collective bargaining agreement that covers pay and benefits. Relevant feedback is considered by the Board, via a Non-Executive Director in their role as Employee Director, and through regular updates to the Board on the organisation, people and culture.

Relative importance of spend on pay

The table below sets out the relative importance of spend on pay in the 2024 and 2023 financial years. These were the most significant outgoings for the Company in the last financial year. Overall spend on pay increased by 13% due to expansion of the business through the acquisition of Greenbird Media and salary inflation.

Significant distributions	2024	2023	% change
Overall spend on pay	**£38.8m**	£34.2m	13.4%
Dividend or share buy back	**£5.1m**	£5.2m	1.9%

Consideration by the Directors of matters relating to Directors' remuneration

Members of the Committee
During the year, the Committee comprised the following Non-Executive Directors: Naomi Climer (member and Chair from 30 May 2023), Simon Miller (member until 11 December 2024), David Bergg, Ian Steele (member until 1 May 2024) and Colin Jones (member since 11 December 2024). The Committee met five times during the year.

The Committee is responsible for recommending to the Board the remuneration policy for Executive Directors. The Committee also has oversight of remuneration and related policies for the wider workforce as they pertain to determining the remuneration of the Executive Directors. The Committee has formal terms of reference which describe its full remit and can be downloaded from the Company's website, www.stvplc.tv.

The Committee considers that the current Policy and its implementation in 2024 appropriately addressed the following factors, as set out in the 2018 UK Corporate Governance Code.

Clarity	The Committee is committed to providing open and transparent disclosures with regard to executive remuneration arrangements. In formulating the Policy, the Committee Chair wrote to major shareholders outlining the proposed changes and rationale for them. At each year's AGM, shareholders have the opportunity to ask any questions they may have on matters relating to executive remuneration.
Simplicity	Our executive remuneration arrangements, which consist of fixed remuneration, an annual bonus and LTIP, are simple in nature, aligned to UK market practice, and well-understood by participants.
Risk	The Committee considers that the structure of incentive arrangements does not encourage inappropriate risk-taking. Annual bonus deferral, the LTIP holding period and in-employment and post-employment shareholding guidelines ensure that Executive Directors are exposed to the long-term performance of the Company and are therefore incentivised to deliver our strategic ambitions within the Company's risk appetite. Recovery provisions also apply for both the annual bonus and LTIP.
Predictability	For each component of pay, the Policy outlines the maximum opportunity levels for Executive Directors. Actual incentive outcomes vary dependent on the level of performance achieved against specific measures.
Proportionality	Our remuneration framework does not reward poor performance. Payment of the annual bonus and LTIP is subject to the achievement of stretching performance targets, which are determined by the Committee annually to take account of business expectations and strategic priorities at the time.
Alignment to culture	The metrics used to measure performance under both the annual bonus and LTIP are closely aligned to the delivery of the Company's strategy and objectives.

Advisors to the Committee
The Committee seeks independent advice to assist in its consideration of executive remuneration. This includes updating the Committee on compensation trends and governance matters and advising the Committee in connection with the design and operations of the Company's incentive arrangements.

During 2024, the Committee received advice from Alvarez & Marsal ('A&M'). The total fees paid to A&M for the provision of advice to the Committee in 2024 were £63,900 (excluding VAT), charged on a time and materials basis. A&M provided no other services to the Company during the year. A&M is a member of the Remuneration Consultants' Group and has signed-up to their Code of Conduct on executive remuneration consulting and so the Committee is satisfied that the advice received from A&M is objective and independent.

In the course of its deliberations during the period under review, the Committee sought the assistance of the Chairman on matters relating to the Directors' performance and remuneration. The Chairman, Chief Executive and the HR & Communications Director attended Committee meetings by invitation.

Statement of voting at general meeting

The table below shows the voting outcomes on the most recent Remuneration Report (2024 AGM) and Remuneration Policy (2024 AGM).

	Votes for	%	Votes against	%	Total votes cast	Votes withheld[1]
2023 Remuneration Report (2024 AGM)	27,343,506	74.11	9,552,549	25.89	36,896,055	1,874,914
Remuneration Policy (2024 AGM)	28,524,910	73.57	10,245,179	26.43	38,770,089	1,129

1 A vote withheld is not a vote in law and counts neither for nor against a resolution.

As shown in the table above, with over 70% of votes cast in favour, shareholders approved the Directors' Remuneration Policy and last year's Remuneration Report by a clear majority. The voting outcomes were linked to a minority vote against arising from a concern, primarily of one shareholder with a significant holding, around the use of nil-cost options in the LTIP. The Company's Remuneration Committee used the engagement exercise for its triennial remuneration policy review to undertake a comprehensive review of market norms and shareholder views, including a multi-phased programme with its largest shareholders, to develop an approach that all major shareholders could support. Through this process, a range of potential alternatives to the existing nil-cost option (LTIP) structure were evaluated. In total, the Remuneration Committee engaged with nine of our largest shareholders, holding around 65% of the share register. It also engaged with investor bodies and voting agencies. After full consideration, the Remuneration Committee concluded, acknowledging the concern around the use of nil-cost options in the LTIP, that none of the alternatives were as well suited to STV's strategy as the current structure, and each would bring a number of challenges which, based on shareholder discussions and professional advice, may have risked the support of a greater number of shareholders and/or investor bodies. This feedback was considered, alongside that of our other shareholders, in developing the final proposals.

The Remuneration Report was approved by the Committee and signed on its behalf by:

Naomi Climer
Chair of the Remuneration Committee
11 March 2025

Directors' report

The Directors present their report for the year ended 31 December 2024. The Directors' report comprises pages 106 to 108 and the sections of the annual report incorporated by reference, as set out below:

This Annual Report has been prepared for, and only for, the members of the Company, as a body, and for no other persons.

The Company, its Directors, employees, agents and advisers, do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come, and any such responsibility or liability is expressly disclaimed.

Management Report

The Directors' report, together with the Strategic Report set out on pages 4 to 68, form part of the Management Report for the purposes of DTR 4.1.5R.

Company number

STV Group plc is registered in Scotland under company number SC203873.

Dividends

A final cash dividend of 7.4p per share has been declared for 2024 which, subject to approval at the AGM in April 2025, will be paid on 30 May 2025, to shareholders on the register at 22 April 2025. The interim dividend for 2024 was 3.9p per share. The proposed total dividend for 2024 is therefore 11.3p per share.

Share capital and substantial shareholders

On 11 March 2025 there were 46,722,499 ordinary shares of 50p each in issue, each with one vote attached. There were no shares held in treasury. The rights and obligations to the Company's shares are set out in its Articles of Association. Details of Directors' interests in shares can be found on page 101.

As at 11 March 2025, the following information had been received, in accordance with DTR5, from holders of notifiable interests in STV's issued share capital:

Shareholders	Shares held	%
Slater Investments	9,012,957	19.29
Aberforth Partners	3,404,974	7.29
Janus Henderson Investors	3,292,394	7.05
M&G Investments	3,130,248	6.70
Schroder Investment Management	2,832,121	6.06
Lombard Odier Asset Management	2,130,595	4.56
Harwood Capital LLP	2,006,000	4.29
Unicorn Asset Management	1,960,000	4.20
Royal London Asset Management	1,772,872	3.79
Chelverton Asset Management	1,693,867	3.63

Annual General Meeting (AGM)

Details of the 2025 AGM, together with the resolutions being put to shareholders, can be found in the separate Notice of AGM.

Directors

The Directors of the Company as at 31 December 2024 and their profiles are detailed on pages 70 and 71.

Changes to the composition of the Board since 1 January 2024 up to the date of this report are shown in the table below:

Name	Role	Date of appointment	Date of resignation
Ian Steele	Independent Non-Executive Director		1 May 2024
Colin Jones	Independent Non-Executive Director	2 September 2024	
Simon Pitts	CEO and Executive Director		31 October 2024
Rufus Radcliffe	CEO and Executive Director	1 November 2024	
Simon Miller	Senior Independent Director		11 December 2024

Details of Directors' interests are on page 101 of the Remuneration Report.

The Company's Articles of Association require Colin Jones and Rufus Radcliffe to seek election at the 2025 AGM. In accordance with the Code, all other Directors will put themselves forward for re-election at the 2025 AGM.

Directors' indemnities

Directors and officers of the Company and its subsidiaries have the benefit of a Directors' and Officers' liability insurance policy. The Company's Articles of Association also provide that every Director and other officer of the Company is to be indemnified from the assets of the Company against any liability he or she incurs in defending any proceedings brought against them in connection with the execution of their powers, duties, and responsibilities as Directors (provided that judgement is not given against them).

Donations

The Group made no political donations or any contributions to any political party during the year (2023: £nil).

Voting rights and restrictions on transfer of shares

None of the ordinary shares carry any special rights with regard to control of the Company. There are no restrictions on transfers of shares other than certain restrictions which may from time to time be imposed by laws or regulations. These include those relating to insider dealing and pursuant to the Company's share dealing code, whereby the Directors and designated employees require approval to deal in the Company's shares.

The Company is not aware of any arrangements between shareholders that may result in restrictions on the transfer of securities or voting rights. Further details of the rights, restrictions and obligations attaching to the share capital of the Company, including voting rights, are contained in the Company's Articles of Association. The Articles may only be amended by special resolution at a general meeting of shareholders. Copies are available by writing to the Company Secretary and are also open to inspection at Companies House.

The STV Group plc Employee Benefit Trust, which is used to acquire and hold shares in the Company for the benefit of employees, waives its right to vote and to receive cash dividends on those shares it holds that are unallocated.

Change of control

All the Company's employee share plans contain provisions relating to a change of control. On a change of control, options and awards granted to employees under the Company's share plans may vest and become exercisable, subject to the satisfaction of any applicable performance conditions at that time. Certain of the Company's credit facilities and banking arrangements contain change of control clauses under which lenders may cancel their commitments and declare all outstanding amounts immediately due and payable.

The Channel 3 broadcasting licences require STV, as the licence holder, to notify Ofcom on a change of control. Ofcom would thereafter be required to determine that any proposed new licence holder was a fit and proper person to hold the licence. There are no other significant agreements that would take effect, alter, or terminate upon a change of control following a takeover bid.

Going concern

The going concern statement is set out on pages 120 and 121. The statement is incorporated by reference and deemed to form part of this report.

Disclosures required under UK Listing Rule 6.6.1(R)

There are no disclosures required to be made under the UK Listing Rule 6.6.1(R) which have not already been disclosed elsewhere in this Report. Details of long-term incentive plans and a Director's emolument waiver can be found in the Directors' Remuneration Report on pages 92 to 105. Details of dividends waived can be found under the heading Voting rights and restrictions on transfer of shares on page 107.

Directors' report

Directors' responsibilities statement

The Directors are responsible for preparing the Annual 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 are required to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The Directors have also chosen to prepare the parent company financial statements under United Kingdom adopted international accounting standards. 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, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and parent company's auditors are aware of that information.

The Directors' report was approved by the Board and signed on its behalf by:

Paul Reynolds
Chairman
11 March 2025

Independent auditors' report to the members of STV Group plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of STV Group plc (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company statements of cash flows; and
- the related notes 1 to 30.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and parent company for the year are disclosed in note 5 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the parent company.

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

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • cut off of programme production revenue; • acquisition of Two Cities Television – valuation of acquired intangible assets. Within this report, key audit matters are identified as follows: ← → Similar level of risk
Materiality	The materiality that we used for the Group financial statements was £820,000 which was determined on the basis of 5% of profit before tax before adjusting items.
Scoping	We performed audit procedures across 18 components accounting for 100% of revenue, 97% of profit before tax and 97% of net assets.
Significant changes in our approach	Our audit approach is consistent with the prior year with the exception of: • Manual adjustments to revenue at period end, which is no longer a key audit matter following a re-assessment of the associated risk in the current year, with limited judgement from management required in this area as a result of the contractual arrangements in place. • Carrying value of parent company investment in subsidiaries, which is no longer a key audit matter on the basis that there are limited indicators of impairment as well as the level of headroom within management's assessment. • The recognition of production revenue key audit matter has been focused on the cut off of production revenue with the occurrence of production revenue no longer considered a key audit matter, due to limited judgement from management being required. • Whilst consistent with prior year, the acquisition key audit matter relates to acquisitions made in the current year, namely Two Cities Television.

Independent auditors' report to the members of STV Group plc

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment, understanding the process undertaken by management to evaluate the operational and economic impacts of economic uncertainty on the assumptions, and understanding of the relevant controls relating to the going concern assessment;
- Assessing the integrity of the model used to prepare the forecasts, testing the clerical accuracy of those forecasts, and considering the historical accuracy of the forecasts prepared by management;
- Assessing headroom in the forecasts (liquidity and covenants);
- Evaluating the financing facilities that are in place during the forecast period including the repayment terms and covenants, and the impact of refinancing, and assessing whether these have been appropriately reflected in the model;
- Challenge the reasonableness of the assumptions used in downside scenarios and sensitivities by assessing the Group's past performance, UK advertising and global commissioning market; and
- Assessing the appropriateness of the going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Cut off of programme production revenue ← →

Key audit matter description	Within Studios revenue of £84.1m (2023: £66.8m), the Group recognises revenue from third party programme commissions. Revenue from third party commissions is recognised both: • Over time in relation to producer for hire contracts, where, in the event of cancellation, cost is recovered plus an agreed margin. The associated revenue is therefore recognised over the term of the contract. • On delivery of the finished programme to the commissioning broadcaster, the point at which the performance obligations are delivered, and control passes to the broadcaster for the period of their licence. There is a risk that programme production revenue is recognised too early and in the incorrect periods. The cut off risk exists for producer for hire contracts where the key judgement made is in determining the costs to complete and the impact of any potential variation to the original contract. There is also cut-off risk in respect of productions where revenue is recognised on delivery where this is close to year end due to judgement required in determining whether the performance obligation has been met. Further details in relation to revenue are included in notes 2 and 4 to the financial statements.
How the scope of our audit responded to the key audit matter	We performed the following procedures: • Obtained an understanding of the relevant controls over the programme production revenue recognition process; • Reviewed the minutes of Studios division board meetings and identified the productions which spanned the year end; • Tested the recognition of programme production revenue relating to a sample of productions recognised on delivery around year end by obtaining the commissioning and other related agreements, assessed whether the performance obligation has been met by obtaining evidence including of transmission of the programme or of acceptance by the commissioner; and • Tested producer for hire contracts by obtaining the commissioning and other related agreements, assessing and challenging the accuracy of costs to complete by reference to programme production budgets in additions to costs incurred to date and recalculating the expected revenue that should be recognised.
Key observations	Based on our procedures performed, we concluded that programme production revenue is appropriately recognised.

5.2. Acquisition of Two Cities Television – valuation of acquired intangible assets ← →

Key audit matter description	The Group acquired the Two Cities Television Group in January 2024. Under IFRS 3 Business Combinations, upon acquisition of a business, identifiable assets and liabilities acquired are measured at their fair value. Upon acquisition, the Group recognised £6.5m of intellectual properties and goodwill of £3.8m. The determination of the fair value of the acquired intangible assets relies on assumptions and estimates of future trading performance, which include revenue and costs. In deriving the valuation, management engaged an external valuer. We identified the valuation of the acquired intangible assets arising from the Two Cities Television acquisition as a key audit matter due to the judgements involved in determining the value of intangible assets. Further details in relation to the acquisition and the valuation of acquired intangible assets are included within notes 2 and 14 to the financial statements.
How the scope of our audit responded to the key audit matter	We have performed the following procedures: • Obtained an understanding of relevant controls over the purchase price allocation, in particular the identification and measurement of acquired intangible assets; • Obtained relevant share purchase agreements to assess whether acquisitions have been accounted for appropriately in the financial statements; • Assessed the objectivity, competence and capability of management's external valuer; • Assessed management's methodology and assumptions, including revenue and costs used in the valuation of the intangible assets with the involvement of our valuation specialists and benchmarked against external market sources; • Evaluated management's assessment of the presence of further intangible assets not identified; and • Assessed the appropriateness of disclosures made in the financial statements.
Key observations	Based on our procedures performed, we conclude that the valuation and allocation of acquired intangibles is appropriate.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£820,000 (2023: £710,000)	£410,000 (2023: £355,000)
Basis for determining materiality	5% (2023: 5%) of adjusted profit before tax.	Parent company materiality was based on 1% (2023: 1%) of net assets, but capped at 50% (2023: 50%) of Group materiality.
Rationale for the benchmark applied	We have used adjusted profit before tax as the benchmark for our determination of materiality as we consider this to be a critical performance measure for the Group on the basis that it is a key metric to analysts and investors and has equal prominence in the Annual Report. The adjusting items in the year are summarised within note 7 to the financial statements.	We consider that net assets is the most appropriate measure given the company is an investment holding company with no revenue.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	60% (2023: 60%) of Group materiality	60% (2023: 60%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • Our risk assessment, including our assessment of the Group's overall control environment; and • The nature and the level of corrected and uncorrected misstatements identified in prior periods.	

Independent auditors' report to the members of STV Group plc

6.3. Error reporting threshold
We agreed with the Audit & Risk Committee that we would report to the Committee all audit differences in excess of £41,000 (2023: £35,500), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit & Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components
The Group operates throughout the UK and is organised into three operating divisions namely broadcast, digital and studios. Our Group audit was scoped by developing an audit plan for each significant account balance, class of transaction and disclosure. This was completed through discussion with IT, internal audit, and the commercial and finance teams, and by performing walkthroughs of processes, including Group-wide controls. We have assessed the risk of material misstatement at a Group level including assessing the qualitative and quantitative characteristics of each financial statement line item and considered the relative contribution of each component to these line items.

Based on this assessment, we focused our work on 18 (2023: 12) components across 3 divisions (2023: 3) which represent 100% of revenue (2023: 95%), 97% of profit before tax (2023: 98%) and 97% of net assets (2023: 84%).

We performed audit procedures to performance materiality levels applicable to each component, which was lower than the Group materiality level and ranged from £246k to £344k (2023: £213k to £298k).

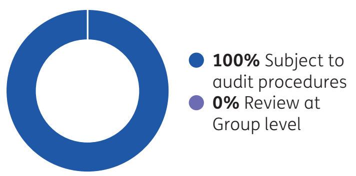
The components which were identified on a legal entity level that on which we performed audit procedures on are as follows:

- STV Group plc
- STV Central Limited
- STV Studios Limited
- STV Drama Productions Limited
- STV North Limited
- STV Tod Productions Limited
- STV Services Limited
- STV Television Limited
- STV News Services Limited
- STV Studios Services Limited
- Tuesday's Child Television Limited
- Crackit Productions Limited
- Rumpus Media Limited
- Hello Halo Productions Limited
- Two Cities Television Limited
- Two Cities Television (Blue Lights 2) Limited
- Two Cities Television (Blue Lights 3) Limited
- Two Cities Television (Vienna) Limited

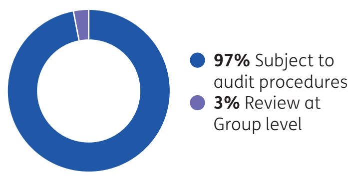
We audited STV Central Limited, the largest trading component, at component performance materiality determined as 70% of Group performance materiality. Our audit work on remaining components was executed at component performance materiality, capped at 50% of Group performance materiality. At the Group level, we also tested the consolidation process.

All work was performed directly by the Group engagement team.

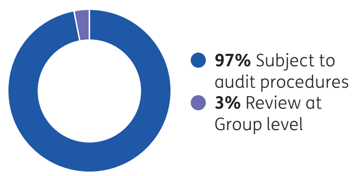
Revenue



Profit before tax



Net assets



7.2. Our consideration of the control environment
With the involvement of our IT specialists, we obtained an understanding of the relevant IT environment and relevant general IT controls. We obtained an understanding of the processes and relevant controls over the key business cycles, being the revenue and financial reporting cycle in addition to certain manual controls over complex and judgemental areas such as purchase price accounting, impairment and going concern. Consistent with the prior year, in the current year we did not plan to rely on the operating effectiveness of controls (automated or otherwise). This strategy reflected our historical knowledge of the control environment.

The Group continues to invest in its internal controls as part of its ongoing control improvement activities and its preparations for the introduction of the Directors' declaration over the effectiveness of material internal controls set out in the 2024 UK Corporate Governance Code.

The Audit and Risk Committee discusses their review of the effectiveness of risk management and internal control on page 86 to 90.

7.3. Our consideration of climate-related risks
In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements. The Group has assessed the risk and opportunities relevant to climate change as highlighted in the Climate-related Financial Disclosures Report included on pages 62 to 67.

As part of our audit, we have obtained management's climate-related risk assessment and held discussions with those charged with governance to understand the process of identifying climate-related risks, the determination of mitigating actions and to evaluate the impact on the Group's financial statements. As part of our assessment, we have considered the broader industry and market-wide practice.

Our procedures included reading disclosures included in the strategic report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit. We also assessed the Directors' considerations of climate change in their assessment of going concern and viability, along with the associated disclosures.

8. Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors
As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine 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, the Directors are responsible for assessing the Group's and the parent 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 unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about 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 (UK) will always detect a material misstatement when it exists. Misstatements can 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 users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities
In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, Directors and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, pensions and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Independent auditors' report to the members of STV Group plc

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: cut off of programme production revenue. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pensions legislation, tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's Channel 3 operating licences that are regulated by Ofcom.

11.2. Audit response to risks identified
As a result of performing the above, we identified cut off of programme production revenue as a key audit matter related to the potential risk of. The key audit matters section of our report explains the matter in more detail and describes the specific procedures we performed in response to that key audit matter.

In addition to the above, procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit & Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and Ofcom; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 120;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 40;
- the Directors' statement on fair, balanced and understandable set out on page 87;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 36 to 39;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 88; and
- the section describing the work of the Audit & Risk Committee set out on page 86 to 90.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration
Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure
Following the recommendation of the Audit & Risk Committee, we were appointed by the members on 27 April 2023 to audit the financial statements for the year ending 31 December 2023 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years, covering the years ending 31 December 2023 to 31 December 2024.

15.2. Consistency of the audit report with the additional report to the Audit & Risk Committee
Our audit opinion is consistent with the additional report to the Audit & Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

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.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

David Mitchell

David Mitchell CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
11 March 2025

Consolidated income statement

Year ended 31 December 2024

Continuing operations	Note	2024 Adjusted results £m	2024 Adjusting items (note 7) £m	2024 Statutory results £m	2023 Adjusted results £m	2023 Adjusting items (note 7) £m	2023 Statutory results £m
Revenue	4	**188.0**	**–**	**188.0**	168.4	–	168.4
Operating expenses	5	**(171.3)**	**(3.5)**	**(174.8)**	(156.0)	(6.0)	(162.0)
Operating profit		**16.7**	**(3.5)**	**13.2**	12.4	(6.0)	6.4
Finance costs							
– borrowings		**(3.4)**	**–**	**(3.4)**	(2.4)	–	(2.4)
– defined benefit pension schemes		**–**	**(2.4)**	**(2.4)**	–	(2.8)	(2.8)
– lease interest		**(0.5)**	**–**	**(0.5)**	(0.5)	–	(0.5)
– other finance income/(costs)		**0.4**	**(1.7)**	**(1.3)**	–	(0.5)	(0.5)
Total finance costs		**(3.5)**	**(4.1)**	**(7.6)**	(2.9)	(3.3)	(6.2)
Other gains and losses	14	**–**	**4.8**	**4.8**	–	–	–
Share of loss in associates		**–**	**–**	**–**	(0.2)	–	(0.2)
Profit before tax		**13.2**	**(2.8)**	**10.4**	9.3	(9.3)	–
Tax credit	8	**2.4**	**0.3**	**2.7**	4.5	0.8	5.3
Profit for the year		**15.6**	**(2.5)**	**13.1**	13.8	(8.5)	5.3
Attributable to:							
Equity holders of the Company		**13.3**	**(2.5)**	**10.8**	13.0	(8.5)	4.5
Non-controlling interests		**2.3**	**–**	**2.3**	0.8	–	0.8
		15.6	**(2.5)**	**13.1**	13.8	(8.5)	5.3
Earnings per share	9						
Basic		**29.0p**		**23.5p**	28.2p		9.7p
Diluted		**29.0p**		**23.4p**	27.2p		9.4p

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income

Year ended 31 December 2024

	Note	2024 £m	2023 £m
Profit for the year from continuing operations		**13.1**	5.3
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension schemes	25	**(0.3)**	2.0
Deferred tax credit/(charge)	22	**0.1**	(0.5)
Other comprehensive (expense)/income – net of tax		**(0.2)**	1.5
Total comprehensive income for the year		**12.9**	6.8
Attributable to:			
Owners of the parent		**10.6**	6.0
Non-controlling interests		**2.3**	0.8
		12.9	6.8

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated and parent company balance sheets

At 31 December 2024

	Note	Group 31 December 2024 £m	Group 31 December 2023 £m	Company 31 December 2024 £m	Company 31 December 2023 £m
Non-current assets					
Intangible assets	11	**36.5**	25.0	**–**	–
Property, plant and equipment	12	**6.8**	8.9	**–**	–
Right-of-use assets	13	**16.2**	17.9	**–**	–
Investments	15	**2.3**	4.1	**121.8**	121.8
Deferred tax assets	22	**19.5**	19.8	**4.8**	6.4
Trade and other receivables	17	**0.5**	1.0	**112.3**	125.4
		81.8	76.7	**238.9**	253.6
Current assets					
Inventories	16	**28.8**	24.4	**–**	–
Trade and other receivables	17	**48.0**	38.9	**0.9**	0.6
Cash and cash equivalents		**11.1**	13.9	**0.1**	–
		87.9	77.2	**1.0**	0.6
Total assets		**169.7**	153.9	**239.9**	254.2
Equity					
Ordinary shares	23	**23.3**	23.3	**23.3**	23.3
Share premium	23	**115.1**	115.1	**115.1**	115.1
Capital redemption reserve		**0.2**	0.2	**0.2**	0.2
Merger reserve		**173.4**	173.4	**–**	–
Other reserve		**2.1**	2.4	**2.1**	2.4
Accumulated (losses)/profit		**(316.0)**	(321.9)	**76.7**	80.7
Shareholders' equity		**(1.9)**	(7.5)	**217.4**	221.7
Non-controlling interests		**(11.0)**	(5.1)	**–**	–
Total equity		**(12.9)**	(12.6)	**217.4**	221.7
Non-current liabilities					
Borrowings	19	**39.6**	41.6	**–**	–
Lease liabilities	20	**16.6**	17.9	**–**	–
Retirement benefit obligations	25	**48.3**	54.8	**19.2**	25.5
Deferred tax liabilities	22	**3.8**	2.6	**–**	–
Trade and other payables	18	**15.2**	5.9	**–**	–
		123.5	122.8	**19.2**	25.5
Current liabilities					
Borrowings	19	**10.2**	4.6	**–**	3.2
Trade and other payables	18	**48.1**	37.9	**3.3**	3.8
Lease liabilities	20	**0.8**	1.2	**–**	–
		59.1	43.7	**3.3**	7.0
Total liabilities		**182.6**	166.5	**22.5**	32.5
Total equity and liabilities		**169.7**	153.9	**239.9**	254.2

The above consolidated and Company balance sheets should be read in conjunction with the accompanying notes.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement or statement of comprehensive income. The loss for the parent company for the year was £2.3m (2023: loss of £3.0m).

The consolidated financial statements on pages 116 to 152 were approved by the Board on 11 March 2025 and were signed on its behalf by:

Rufus Radcliffe
Chief Executive

Lindsay Dixon
Chief Financial & Operating Officer

Company registration number SC203873

Consolidated and parent company statements of changes in equity

Year ended 31 December 2024

	Share capital £m	Share premium £m	Capital redemption reserve £m	Merger reserve £m	Other reserve £m	Accumulated (losses)/profit £m	Attributable to owners of the parent £m	Non-controlling interest £m	Total equity £m
Group									
At 1 January 2024	23.3	115.1	0.2	173.4	2.4	(321.9)	(7.5)	(5.1)	(12.6)
Profit for the year	–	–	–	–	–	10.8	10.8	2.3	13.1
Other comprehensive expense	–	–	–	–	–	(0.2)	(0.2)	–	(0.2)
Total comprehensive income for the year	–	–	–	–	–	10.6	10.6	2.3	12.9
Net share based compensation	–	–	–	–	(0.3)	0.4	0.1	–	0.1
Dividends paid (note 10)	–	–	–	–	–	(5.1)	(5.1)	(0.6)	(5.7)
Changes in non-controlling interest (note 14)	–	–	–	–	–	–	–	(7.6)	(7.6)
At 31 December 2024	**23.3**	**115.1**	**0.2**	**173.4**	**2.1**	**(316.0)**	**(1.9)**	**(11.0)**	**(12.9)**
At 1 January 2023	23.3	115.1	0.2	173.4	1.8	(322.7)	(8.9)	(0.3)	(9.2)
Profit for the year	–	–	–	–	–	4.5	4.5	0.8	5.3
Other comprehensive income	–	–	–	–	–	1.5	1.5	–	1.5
Total comprehensive income for the year	–	–	–	–	–	6.0	6.0	0.8	6.8
Net share based compensation	–	–	–	–	0.6	–	0.6	–	0.6
Dividends paid (note 10)	–	–	–	–	–	(5.2)	(5.2)	(0.2)	(5.4)
Changes in non-controlling interest (note 14)	–	–	–	–	–	–	–	(5.4)	(5.4)
At 31 December 2023	**23.3**	**115.1**	**0.2**	**173.4**	**2.4**	**(321.9)**	**(7.5)**	**(5.1)**	**(12.6)**
Company									
At 1 January 2024	23.3	115.1	0.2	–	2.4	80.7	221.7		
Loss for the year	–	–	–	–	–	(2.3)	(2.3)		
Other comprehensive income	–	–	–	–	–	3.0	3.0		
Total comprehensive income for the year	–	–	–	–	–	0.7	0.7		
Net share based compensation	–	–	–	–	(0.3)	0.4	0.1		
Dividends paid (note 10)	–	–	–	–	–	(5.1)	(5.1)		
At 31 December 2024	**23.3**	**115.1**	**0.2**	**–**	**2.1**	**76.7**	**217.4**		
At 1 January 2023	23.3	115.1	0.2	–	1.8	87.8	228.2		
Loss for the year	–	–	–	–	–	(3.0)	(3.0)		
Other comprehensive expense	–	–	–	–	–	1.1	1.1		
Total comprehensive loss for the year	–	–	–	–	–	(1.9)	(1.9)		
Net share based compensation	–	–	–	–	0.6	–	0.6		
Dividends paid (note 10)	–	–	–	–	–	(5.2)	(5.2)		
At 31 December 2023	**23.3**	**115.1**	**0.2**	**–**	**2.4**	**80.7**	**221.7**		

Consolidated and parent company statements of cash flows

Year ended 31 December 2024

	Note	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Operating activities					
Cash generated by operations	24	**17.7**	10.8	**12.1**	11.0
Interest and fees paid in relation to banking facilities		**(3.3)**	(2.3)	**–**	–
Corporation tax credits received		**4.2**	5.0	**–**	–
Pension deficit funding – recovery plan payment		**(9.9)**	(9.7)	**(3.7)**	(3.6)
Net cash generated by operating activities		**8.7**	3.8	**8.4**	7.4
Investing activities					
Acquisition of subsidiary undertakings, net of cash acquired	14	**(1.1)**	(15.0)	**–**	–
Purchase of additional shares in subsidiary undertakings	14	**(4.4)**	–	**–**	–
Purchase of investment in associate		**–**	(0.3)	**–**	–
Production finance repaid from associates		**–**	2.6	**–**	–
Purchase of intangible assets		**(0.7)**	(0.4)	**–**	–
Purchase of property, plant and equipment		**(0.7)**	(0.8)	**–**	–
Net cash used in investing activities		**(6.9)**	(13.9)	**–**	–
Financing activities					
Payment of obligations under leases		**(1.8)**	(1.8)	**–**	–
Borrowings drawn		**31.4**	36.3	**–**	–
Borrowings repaid		**(23.9)**	(21.0)	**–**	–
Dividends paid to non-controlling interests		**(0.6)**	(0.2)	**–**	–
Dividends paid to equity holders		**(5.1)**	(5.2)	**(5.1)**	(5.2)
Net cash generated by/(used in) financing activities		**–**	8.1	**(5.1)**	(5.2)
Net increase/(decrease) in cash and cash equivalents		**1.8**	(2.0)	**3.3**	2.2
Net cash and cash equivalents, including overdraft balances, at beginning of year		**9.3**	11.3	**(3.2)**	(5.4)
Net cash and cash equivalents, including overdraft balances, at end of year		**11.1**	9.3	**0.1**	(3.2)

Notes to the financial statements

For the year ended 31 December 2024

1. General information

The consolidated financial statements of STV Group plc (the 'Company') and its subsidiaries (together the 'Group') for the year ended 31 December 2024 were approved and authorised for issue in accordance with a resolution of the Directors on 11 March 2025. The comparative information is presented for the year ended 31 December 2023.

STV Group plc is a public limited company, limited by shares, incorporated in Scotland, United Kingdom, and is listed on the London Stock Exchange.

The principal activities of the Group are the production of content for UK and international commissioners, acquisition of content for viewers of its linear broadcast and Video on Demand player, and the sale of advertising airtime and space in these media.

2. Material accounting policy information

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the current and prior years.

Basis of preparation

The financial statements are prepared in accordance with IFRS as adopted by the UK Endorsement Board and in accordance with the UK adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

These financial statements are presented in Sterling, which is the currency of the primary economic environment in which the Group and Company operates and rounded to the nearest 0.1 million pounds (£m) except where otherwise indicated. They have been prepared under the historical cost convention and where other bases are applied these are identified in the relevant accounting policy below.

Basis of consolidation

The Group financial statements incorporate the financial statements of STV Group plc and all its subsidiaries up to 31 December each year, using consistent accounting policies.

Subsidiaries are entities over which the Company has control. Control is achieved when the Company has the power over the subsidiary, is exposed, or has rights to, variable returns from its involvement with the subsidiary, and has the ability to use its power to affect its returns. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Subsidiary undertakings acquired during the year are recorded using the acquisition method of accounting and their results are included from the date of acquisition.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

An associate is an entity, other than a subsidiary or joint venture, over which the Group has significant influence. Significant influence is the power to participate in, but not control or jointly control, the financial and operating decisions of an entity. These investments are accounted for using the equity method.

Non-controlling interests represent the portion of profit or loss and net assets/(liabilities) in subsidiaries that are not held by the Group and are presented within equity in the consolidated balance sheet, separately from the Company shareholders' equity.

Adoption of new and revised standards

In the current year, the Group has adopted the following new amendments with no material impact:

- Amendments to IAS 1 Presentation of Financial Statements:
  – Classification of Liabilities as Current or Non-current – effective date 1 January 2024
  – Non-current Liabilities with Covenants – effective date 1 January 2024
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback – effective date 1 January 2024
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements – effective date 1 January 2024

Standards and amendments to standards that have been issued but are not effective for 2024 and have not been adopted early are:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability – effective date 1 January 2025

The above standards and amendments issued but not yet effective will be adopted in accordance with their effective dates. Management do not expect any material impact from the implementation of the above standard when it becomes effective.

Going concern

At 31 December 2024, the Group was in a total net debt position (excluding lease liabilities) of £38.7m comprising drawdowns under its banking facility of £40.0m, amounts drawn under separate, non-recourse third party production financing facilities of £9.9m, and a CBILS loan of £0.3m in a subsidiary undertaking, partially offset by net cash balances, including overdrafts, of £11.1m and unamortised financing fees of £0.4m.

At the balance sheet date, the Group had in place a £70m revolving credit facility (RCF), with £10m accordion, that was due to mature in March 2026. To ensure the Group had committed, available facilities extending at least 12 months from the date of signing its 2024 financial statements, it refinanced its banking facility in February 2025. The new arrangements provide the Group with a new £70m RCF with a £20m accordion (uncommitted) for a minimum 3-year term with two 1-year extension options.

The Group's covenant package includes the key financial covenants of net debt to EBITDA (leverage), which must be less than 3 times, and interest cover, which must be greater than 4 times. These are the same financial covenants as applied under the previous facility however the new arrangements have removed the leverage ratchet that determined the margin payable on amounts drawn, with a flat margin now charged on all borrowings regardless of Group leverage.

The Group is in a net current asset position and generates cash from operations that enables it to meet its liabilities as they fall due, and other obligations. At the year end, it had undrawn facilities under its RCF of £30m, cash balances of £11.1m, and a further £10m available through the accordion.

As part of the regular forecasting and budgeting processes, the Group considers the outlook for the UK advertising and global commissioning markets and uses them to inform the assumptions underpinning the business's own financial forecasts. As well as defining a 'base case' set of assumptions, the Group considers a range of alternative outcomes – on the upside and downside – and assesses liquidity headroom and covenant compliance under all scenarios. The Group's forecasts and projections for both profitability and cash generation/debt levels, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current available funding and financial covenants.

The Directors performed a full review of principal risks and uncertainties during the year. Longer term forecasts were prepared, with input from the Board, for the purpose of the refinancing in Q4 2024. Detailed forecasts have been prepared by the business for the period to 31 December 2027.

A severe but plausible downside scenario was identified against the base case assumptions for 2025 that reflected crystallisation of a number of risks, principally in relation to advertising revenues and the margin attached to programme commissions either confirmed for delivery in the year, or anticipated to be won and delivered in the year. Under this alternative scenario, the Group modelled a reduction of around 15% in the budgeted profitability of the Studios division combined with continued softness in the UK advertising market.

Even under this scenario, the Group generated sufficient cash to enable it to continue in operation and remain within covenant levels under the new banking arrangements. Therefore, the Board concluded that the Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show it will be able to operate within the level of its current available funding and covenant levels.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for at least 12 months from the date of this report. Accordingly, the Group continues to adopt the going concern basis in preparing its consolidated financial statements.

Revenue recognition

Under IFRS 15, the performance obligations promised in contracts with customers are identified and revenue recognition is based on an assessment of when control of the good or service promised in the contract is transferred to the customer. Revenue is recognised when the performance obligation in the contract is satisfied which is either at a 'point in time' or 'over time' depending on when or as control of the good or service is transferred to the customer.

Key classes of revenue are recognised on the following bases:

a. Advertising and sponsorship revenues

Revenues are stated net of advertising agency commissions.

Television advertising revenue and online advertising revenue are recognised at the point of transmission of the advert. Revenue from sponsorship of the Group's programmes is recognised on a straight-line basis over the period of the transmission schedule for each sponsorship campaign.

b. Programme production revenues

For producer for hire contracts where, in the event of cancellation, cost is recovered plus an agreed margin, the associated revenue is recognised over the term of the contract. All other revenue from third party commissions is recognised on delivery of the finished programme to the commissioning broadcaster as at that point the performance obligations are delivered and control passes to the broadcaster for the period of their licence.

Revenue from the licencing of programmes to overseas broadcasters or in the UK secondary market (usually digital channels) is recognised on the licence commencement date. An element of the original cost of production is deferred and recognised against the future revenue stream expected to be generated in the secondary and overseas sales markets. The amount to be deferred varies by programme based on future overseas and secondary sales potential and involves significant estimate (see note 3).

Dividend income

Dividend income is recognised when the right to receive payment is established.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is deducted from the related expense. When the grant relates to an asset, it is deducted from the asset's carrying value.

Taxation

Taxation expense comprises current and deferred tax. Tax is recognised in the income statement, except to the extent it relates to items recognised in other comprehensive income or directly in equity, in which case the related tax is also recognised in other comprehensive income or directly in equity.

Notes to the financial statements

For the year ended 31 December 2024

2. Material accounting policy information continued

Current tax is the amount of tax payable or recoverable in respect of the taxable profit or loss for the year, using tax rates that are in force during the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the reversal of the temporary difference can be controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Adjusting items

Adjusting items are items that are unusual because of their size, nature or incidence and which the Directors consider should be disclosed separately to enable a full understanding of the Group's results. They are presented on the face of the Consolidated Income Statement in a column before statutory results.

Adjusting items may include but are not restricted to: profits or losses arising on disposal or closure of a business; the cost of significant business restructuring; significant impairments of intangible or tangible assets; significant gains or losses on sale of investments, intangible or tangible assets; adjustments to the fair value of acquisition-related items; amortisation of fair value adjustments in regard to intangible assets recognised in a business combination; IAS 19 finance costs; presentation of production tax credits; and other items due to their significance, size or nature. Details of specific adjusting items recognised during the year are included within note 7.

Foreign currency translation

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Currency translation differences are recognised in the consolidated income statement.

Business combinations

Business combinations are accounted for using the acquisition method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred and liabilities incurred. Acquisition-related costs are recognised in the income statement as incurred.

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the income statement as a bargain purchase gain (or loss if the liabilities assumed exceed the identifiable assets).

Goodwill in respect of an acquired business is recognised as an intangible asset. Goodwill is carried at cost less any recognised impairment losses and is tested at least annually.

Intangible assets

Intangible assets, other than goodwill, are held at cost less accumulated amortisation and any provision for impairment. Included within intangible assets are:

Web development – assets in the course of construction which comprise the development of STV Player, STV's online streaming platform, including directly attributable costs to bring the assets into use and may include capitalised borrowing costs.

Intellectual property – fair value of intangible assets recognised on acquisition of subsidiaries, which comprise production intellectual property and distribution intellectual property. Production intellectual property relates to the rights owned by acquired subsidiaries to established profitable formats that are likely to be re-commissioned in future periods. Distribution intellectual property relates to the value attributable to existing and expected renewal of distribution agreements of back-catalogue productions in secondary markets.

Amortisation is provided at the following rates per annum to write off the costs of intangible assets, less residual value, on a straight line basis from the date they are brought into use:

Web development	between 20% and 33%
Intellectual property	between 7% and 13%

Property, plant and equipment

The Group's policy is to state property, plant and equipment at cost less accumulated depreciation and any recognised impairment loss. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off the cost of the assets, less estimated residual values, in equal annual instalments as follows:

Leasehold improvements	between 5% and 10%
Plant, technical equipment and other	between 10% and 20%

Residual values and useful economic lives are reviewed annually. Depreciation is charged on all additions to, or disposals of, depreciating assets in the year of purchase or disposal, from the date of being brought into use or to the date of disposal.

Any impairment in value is charged to the income statement.

Depreciation and amortisation are both presented within operating expenses in the consolidated income statement.

Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability

The lease liability is initially measured as the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or the Group's incremental borrowing rate where not readily available.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of purchase options, if the Group is reasonably certain to exercise those options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost element is charged to the income statement over the lease period in order to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets

Right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are predominantly in relation to leasehold properties.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. If the lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ('CGU's') fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Notes to the financial statements

For the year ended 31 December 2024

2. Material accounting policy information continued

Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value represents the estimated selling price less estimated costs to complete and the estimated selling costs.

The Group has the following items included in inventory:

- Programme production work in progress
  Programme production work in progress for programmes being made for third parties is recorded at cost less any provision for impairment. When the programme production has been completed, and at the point of delivery to the commissioner, the inventory value is charged to the income statement to match the cost of production with the revenue recognised. Costs incurred in the development of creative ideas and the programme slate are recognised as inventory at the lower of cost and net realisable value and are reviewed at least annually. Provision is made where appropriate.
- Deferred programme production
  Deferred programme production stock represents original costs of production that are deferred and recognised against future revenue streams expected to be generated in the secondary sales markets, or from advertising revenue generated on STV Player. This is to ensure that revenue and costs are matched as closely as possible. The amount to be deferred varies by programme based on future secondary sales potential. The estimate of future sales and deferred programme production stock is referred to in the critical accounting judgements and estimates section (note 3).
- Recorded programmes
  Recorded programmes are programmes which the Group purchases for transmission on its broadcast and Video on Demand platforms. They are valued at direct cost including labour and overheads less appropriate provisions and are charged to the income statement after the first transmission or sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recorded at amortised cost with the exception of equity investments which are recognised at fair value through other comprehensive income (FVOCI) and derivative financial instruments which are recognised at fair value through profit and loss (FVTPL). Financial liabilities are measured at amortised cost.

i) Trade receivables

Trade receivables do not carry any interest and are stated at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

A provision is established for trade receivables if there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of trade.

ii) Investments

Investments are classified as fair value through other comprehensive income (FVOCI) with subsequent gains or losses arising from changes in fair value recognised in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit and loss following the derecognition of the investment.

Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured by other means are held at cost unless the Group is deemed to hold significant influence. Investments, whereby the Group is deemed to hold significant influence, are initially recognised at cost and adjusted thereafter for the post-acquisition change in the net assets of the investment. A share of the profit or loss, based on equity holding, is recognised in the income statement for the period.

iii) Classification of financial liabilities and equity

Financial liabilities and equity instruments are classified according to the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

iv) Bank borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value being the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost. Finance costs, including premiums payable on settlement or redemption and direct issue costs, are accounted for using an effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

v) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

vi) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

vii) Derivative financial instruments

Financial liabilities in regard to put option contracts which require the Group to purchase its own equity instruments for cash or another financial asset are recognised at the present value of the estimated put option exercise price, with a corresponding charge included within non-controlling interest. Any subsequent remeasurement of the put option liability is recognised within the consolidated income statement.

Financial liabilities or assets in regard to foreign currency forward contracts are recognised at fair value through profit or loss at the balance sheet date.

viii) Production financing facilities

Separate production financing facilities are entered into with third parties for individual programme production activities. These short-term facilities are available for the duration of programme production activity, and are used in circumstances when the Group is cash-flowing the production (with the commissioner paying in full on delivery of the final programme). These facilities are initially recorded at fair value being the amounts drawn down, net of direct issue costs. They are subsequently measured at amortised cost using the effective interest rate method.

Pensions

For defined benefit pension schemes, the annual service cost is calculated using the projected unit credit method and is recognised over the future service lives of participating employees, in accordance with the advice of qualified actuaries. Current service cost and administration expenses are recognised in operating costs and net interest on the net pension liability is recognised in finance costs.

The finance cost recognised in the consolidated income statement reflects the net interest on the net pension liability. This represents the change in the net pension liability resulting from the passage of time, and is determined by applying the discount rate to the opening net liability, taking into account employer contributions paid into the scheme, and hence reducing the net liability during the year.

Past service costs resulting from enhanced benefits are recognised immediately in the consolidated income statement. Actuarial gains and losses, which represent the difference between interest on scheme assets, experience on the defined benefit obligation and the effect of changes in actuarial assumptions, are recognised in full in the consolidated statement of comprehensive income in the year in which they occur.

The retirement benefit obligation recognised in the consolidated balance sheet comprises the net total for each scheme of the present value of the benefit obligation, using a discount rate based on yields at the balance sheet date on appropriate high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and are denominated in sterling, minus the fair value of the scheme assets at the balance sheet date.

Payments to defined contribution schemes are charged to the income statement as an expense as they fall due.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. A fair value for the equity-settled share awards is measured at the date of grant. The Group measures the fair value of each award using an appropriate option pricing model.

The fair value of each award is recognised as an expense over the vesting period on a straight-line basis, after allowing for an estimate of the share awards that will eventually vest. The level of vesting is reviewed at each reporting period and the charge is adjusted, where appropriate, to reflect actual and estimated levels of vesting. The other reserve within equity relates to share based payments.

Dividend distribution

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

3. Critical accounting judgements and estimates

The preparation of the consolidated and Company financial statements, in conformity with IFRS, requires management to make judgements that affect the application of accounting policies and the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Management bases these judgements and estimates on a combination of past experience, professional expert advice and other evidence that is relevant to each individual circumstance. Actual results may differ from these judgements and the resulting estimates and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised. Significant judgements in the current year and on a recurring basis are presented to the Audit & Risk Committee.

Judgements

In the course of preparing the financial statements, no judgements have been made in applying the Group's accounting policies that have had a significant effect on the amounts recognised in the consolidated Group or parent company financial statements, other than those involving estimation below.

Estimates

The Directors consider the following to be the key estimates applicable to the financial statements, which have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Notes to the financial statements

For the year ended 31 December 2024

3. Critical accounting judgements and estimates continued

Group

Inventory

Deferred programme production stock forms part of inventory and is stated in the financial statements at the lower of cost or net realisable value. The key assumptions are estimating the likely future revenues that associated programme costs are expensed in line with, and the discount rate applied. A detailed forecast of future secondary sales is prepared by management based on historic experience and expected future trends. The estimation process is complex due to the inherent risks and uncertainties associated with long-term forecasting. A different estimate of the projected future cash flows, or a different discount rate, could result in a material adjustment to the projected value of the cash flows of the asset, and as a consequence result in a material adjustment to the carrying value of the asset in the next financial year. During the year, £1.2m was expensed through the income statement in the year (2023: £2.1m).

Additional information is disclosed in note 16.

Group and Company

Pension obligations

The present value of the pension obligations depends on several factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate and mortality rate. These assumptions are reviewed and updated at least bi-annually. A small change in these assumptions could materially impact the carrying amount of pension obligations in the next financial year.

The Group determines the appropriate discount rate at the end of each year. This is the rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Regarding mortality, the base tables used are updated every three years (to coincide with triennial valuations) or more frequently when there is evidence of a change in experience. The CMI tables relating to future improvements in mortality are updated when new information is available, usually annually.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information, along with details of sensitivities, is disclosed in note 25.

Company

Carrying value of parent company investments

At the end of each reporting period, the Company assesses whether there has been any internal or external indication that an asset may be impaired (i.e. its carrying amount may be higher than its recoverable amount). The market capitalisation of the Parent company was less than its net assets at 31 December 2024 and therefore the recoverable amount of the investment in subsidiary companies has been calculated. In determining the recoverable amount, key assumptions are made regarding future performance of subsidiary undertakings, growth rates and discount rate. A different estimate of the projected future cash flows, or a different growth rate or discount rate, could result in a material adjustment to the projected value of the cash flows of the asset, and as a consequence result in a material adjustment to the carrying value of the asset in the next financial year. Based on the assumptions applied in the current year, the investments' recoverable amount is greater than its carrying value and consequently no impairment is considered necessary. Additional information is disclosed in note 15.

4. Business segments

Information reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment performance is by product. The Group's operating segments are Broadcast, Digital and Studios.

	Broadcast		Digital		Studios		Total	
Continuing operations	**2024 £m**	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Sales	**92.7**	90.4	**19.5**	20.2	**84.4**	67.2	**196.6**	177.8
Inter-segment sales	**(8.3)**	(9.0)	**–**	–	**(0.3)**	(0.4)	**(8.6)**	(9.4)
Segment revenue	**84.4**	81.4	**19.5**	20.2	**84.1**	66.8	**188.0**	168.4
Segment result								
Adjusted operating profit	**10.9**	9.8	**8.4**	9.9	**6.1**	5.2	**25.4**	24.9
Unallocated corporate expenses							**(4.8)**	(4.8)
Adjusted operating profit							**20.6**	20.1
Adjusting items in operating profit (note 7)							**(3.5)**	(6.0)
Other adjusting items – finance costs (note 7)							**(4.1)**	(0.5)
Production tax credits (note 7)							**(3.9)**	(7.7)
Finance costs							**(3.5)**	(5.7)
Other gains and losses (note 7)							**4.8**	–
Share of loss in associates							**–**	(0.2)
Profit before tax							**10.4**	–
Tax credit							**2.7**	5.3
Profit for the year							**13.1**	5.3

Adjusted operating profit (as shown above) is the statutory operating profit before adjusting items and includes production tax credits receivable. Further information is provided in note 7. Unallocated corporate expenses relate to central expenses not attributable to divisions.

Revenue includes £13.1m from sources outside the UK (2023: £26.5m). Operating profit includes £3.8m arising outside the UK (2023: £4.9m).

	Broadcast		Digital		Studios		Total	
Segment assets and liabilities	**2024 £m**	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Assets	**23.8**	36.0	**4.3**	3.7	**102.2**	97.9	**130.3**	137.6
Liabilities	**(25.7)**	(18.0)	**(2.4)**	(1.5)	**(46.5)**	(31.3)	**(74.6)**	(50.8)
Segment total	**(1.9)**	18.0	**1.9**	2.2	**55.7**	66.6	**55.7**	86.8
Unallocated corporate assets							**39.4**	16.3
Unallocated corporate liabilities							**(108.0)**	(115.7)
Consolidated							**(12.9)**	(12.6)

Segment assets consist primarily of property, plant and equipment, certain leased assets, inventories, trade and other receivables and cash and bank deposits. Amounts due from HMRC in regard to production tax relief is disclosed within Studios. All other corporation tax balances are disclosed within corporate.

Segment liabilities comprise operating liabilities including trade and other payables and provisions and certain lease liabilities. They exclude Group borrowings, retirement benefit obligations, tax liabilities and other non-current liabilities, including the remaining lease liabilities.

Notes to the financial statements

For the year ended 31 December 2024

4. Business segments continued

Prior to the balance sheet date and under the Group's bank account pooling arrangements, cash transfers were made between the relevant companies in the Group, to eliminate overdraft balances and minimise interest charges. This has affected the presentation of assets within the divisions compared with the prior year, primarily resulting in a decrease in assets in the Broadcast division and increasing the unallocated corporate assets.

All the net assets in 2024 and 2023 were held in the UK and therefore operate in a single geographical segment.

	Broadcast		Digital		Studios		Other		Total	
Other segment information	**2024 £m**	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Capital additions	**0.5**	0.6	**0.7**	0.4	**7.2**	10.9	**0.5**	0.2	**8.9**	12.1
Depreciation and amortisation	**1.6**	1.8	**0.5**	0.6	**1.8**	0.8	**2.2**	2.0	**6.1**	5.2

5. Operating expenses

	2024 £m	2023 £m
Programming costs	**31.7**	29.8
Production costs	**70.6**	62.3
Staff costs (note 6)	**37.3**	33.4
Other operational costs	**27.3**	25.8
Depreciation and amortisation (excluding adjusting items)	**4.4**	4.7
	171.3	156.0
Adjusting items (note 7)	**3.5**	6.0
	174.8	162.0

Services provided by the Group's auditors

During the year the Group obtained the following services from the Company's auditors:

	2024 £m	2023 £m
Group		
Fees payable to Company auditors for the audit of the parent company and consolidated financial statements	**0.4**	0.3
Fees payable to the Company's auditors and their associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	**0.1**	0.1
– Audit-related assurance services	**–**	–
	0.5	0.4

The audit fees paid in respect of the parent company were less than £0.1m for the current and prior year.

6. Staff

Group

Aggregate remuneration	**2024 £m**	2023 £m
Wages and salaries	**38.8**	34.2
Share based payments	**0.1**	0.6
Social security costs	**4.4**	3.6
Other pension costs	**1.1**	1.0
Total aggregate remuneration	**44.4**	39.4
Less: staff costs allocated to productions, adjusting items or capitalised	**(7.1)**	(6.0)
Aggregate remuneration within operating expenses	**37.3**	33.4

Average monthly number of employees (including Executive Directors)	**2024 Number**	2023 Number
Studios	**195**	147
Broadcast	**315**	329
Digital	**64**	61
Group/Corporate	**69**	61
Total average number of employees	**643**	598

Details of Directors' remuneration is provided in the Remuneration Report on pages 92 to 105.

Company

The Company had no employees during the current or preceding year.

The only element of Directors' remuneration recognised in the Company income statement in the year is the estimated charge associated with share-based payments of £0.1m (2023: £0.6m). No Director received any other remuneration from the Company during the year (2023: £nil). The emoluments of the Directors are paid by another Group company which makes no recharge to the parent company.

7. Adjusting items and reconciliation of statutory results to adjusted results

In reporting financial information, the Group presents alternative performance measures (APMs) which are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business.

The table below sets out a reconciliation of the statutory results to the adjusted results:

	2024			2023		
	Operating profit £m	**Profit before tax £m**	**Basic EPS pence**	Operating profit £m	Profit before tax £m	Basic EPS pence
Statutory results	**13.2**	**10.4**	**23.5p**	6.4	–	9.7p
Material contract implementation costs (i)	**–**	**–**		3.1	3.1	
Acquisition and integration costs (ii)	**0.8**	**0.8**		2.4	2.4	
Restructuring costs (iii)	**1.0**	**1.0**		–	–	
Amortisation of intangible assets (iv)	**1.7**	**1.7**		0.5	0.5	
	16.7	**13.9**		12.4	6.0	
IAS 19 net finance costs (v)	**–**	**2.4**		–	2.8	
Other finance costs (vi)	**–**	**1.7**		–	0.5	
Other gains and losses (vii)	**–**	**(4.8)**		–	–	
Production tax credits (viii)	**3.9**	**3.9**		7.7	7.7	
Adjusted results	**20.6**	**17.1**	**29.0p**	20.1	17.0	28.2p

i) In 2022, the Group announced an extended partnership with ITV for digital content and advertising sales, effective from 1 January 2023. One-off costs of £3.1m associated with the negotiation and implementation of the agreement were charged in 2023.

ii) On 6 July 2023, the Group acquired Greenbird Media Limited. Integration costs of £0.8m have been charged in the year (2023: £2.4m) relating to the final earn-out payable to founding members, professional fees and restructuring costs.

iii) The Group announced a £5m cost saving programme in March 2024. Related one-off costs incurred were £1.0m (2023: £nil) attributable to professional fees, redundancy costs and loss on disposal of assets.

iv) Following the acquisitions detailed in note 14, the Group has undertaken fair value assessments of the assets acquired and liabilities assumed. The fair value attributable to intellectual property has been amortised in the year, resulting in a total charge of £1.7m (2023: £0.5m). Amortisation of assets acquired through business combinations are included within adjusted results as they are acquisition related and, in line with our treatment of other acquisition related costs, we consider that they do not reflect the underlying trading performance of the Group.

v) IAS 19 net finance costs, are excluded from non-statutory measures as they are non-cash costs that relate to legacy defined benefit pension schemes.

vi) The Group has liabilities relating to amounts payable to minority shareholders under put options at the date of acquisition of Greenbird Media Limited, Two Cities Television Limited and Hello Halo Productions Limited (see note 14 for details). A finance cost of £1.7m (2023: £0.5m) has been recognised in the period in relation to the unwinding of the discount on these liabilities.

Notes to the financial statements

For the year ended 31 December 2024

7. Adjusting items and reconciliation of statutory results to adjusted results continued

vii) Other gains and losses of £4.8m have arisen in relation to (i) acquisitions achieved in stages and (ii) acquired put option liabilities being revalued to fair value at the balance sheet date. A net gain of £2.9m has been recognised from bringing the consideration paid for the initial shareholdings in Two Cities Television Limited, Hello Halo Productions Limited and Rumpus Media Limited in line with fair value (see note 14 for further details). A net gain of £1.9m has been recognised on aligning put option liabilities acquired with fair value.

viii) The Group meets the eligibility criteria to claim tax relief through the production of certain programmes created in its Studios division. This incentive was introduced in the UK to support the creative industries and is a critical factor when assessing the viability of investment decisions in the production of qualifying programmes. These production tax credits are reported within the total tax charge in the income statement in accordance with IAS 12. However, STV considers the production tax credits to be a contribution to production costs and therefore more aligned to working capital in nature. Therefore, the adjusted results for the Group reflect these credits as a contribution to operating costs and not a tax item. The tax credit regime is transitioning to an 'above the line' Audio-Visual Expenditure credits ('AVEC') arrangement which is accounted for in a similar way to the alternative performance measure presented above. Due to the timing of expenditure for the relevant productions and the transition period between the regimes, the tax credit of £3.9m recognised in the current period will be claimed under the previous regime, and therefore has been adjusted in the results.

8. Tax credit

	2024 £m	2023 £m
Corporation tax		
Current year charge	(1.4)	(0.8)
Production tax credits	3.9	7.7
	2.5	6.9
Deferred tax (note 22)	0.2	(1.6)
Tax credit for the year	**2.7**	5.3

The credit for the year can be reconciled to the profit per the income statement as follows:

	2024 £m	2023 £m
Profit before tax	10.4	–
Tax at the UK corporation tax rate of 25% (2023: 23.5%)	(2.6)	–
Tax effects of:		
Other expenses not deductible for tax purposes	0.2	(0.8)
Other permanent differences	(0.2)	–
Losses not recognised	–	(1.2)
Production tax credits	3.9	7.7
Impact of changes in tax rates	–	(0.1)
Changes in estimates related to prior years	1.4	(0.3)
Tax credit for the year	**2.7**	5.3

9. Earnings per share

The calculation of earnings per share is based on earnings after tax and the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held for use by the STV Employee Benefit Trust.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has one type of dilutive potential ordinary shares namely share options granted to employees.

The adjusted earnings per share figures that have also been calculated are based on earnings before adjusting items that are significant in nature and/or quantum and not expected to recur every year and are therefore considered to be distortive.

The adjusting items recognised in the current and prior year are detailed in note 7 and presented below net of the related tax effect. Adjusted earnings per share have been presented to provide shareholders with an additional measure of the Group's year on year performance.

Earnings per share	2024 pence	2023 pence
Basic earnings per share	23.5p	9.7p
Diluted earnings per share	23.4p	9.4p
Adjusted basic earnings per share	29.0p	28.2p
Adjusted diluted earnings per share	29.0p	27.2p

The following reflects the earnings and share data used in the calculation of earnings per share:

Earnings	Ref	2024 £m	2023 £m
Profit for the year attributable to equity shareholders		10.8	4.5
Adjusting items in operating profit (net of tax)	(i)	3.2	5.2
IAS 19 net financing cost	(ii)	2.4	2.8
Other finance costs	(iii)	1.7	0.5
Other gains and losses	(iv)	(4.8)	–
Adjusted profit		13.3	13.0

Number of shares	2024 million	2023 million
Weighted average number of ordinary shares for the purposes of basic earnings per share	45.9	45.8
Dilution due to share options	0.1	1.6
Weighted average number of ordinary shares for the purposes of diluted earnings per share	46.0	47.4

Details of the adjustments to earnings are as follows:

i) Adjusting items in operating profit (net of tax) £3.2m (2023: £5.2m)
Charge of £3.5m (2023: £6.0m), net of related tax credit of £0.3m (2023: £0.8m). See note 7 for more details.

ii) Adjustment for IAS 19 financing cost £2.4m (2023: £2.8m)
The IAS 19 financing cost is adjusted as it is a non-cash item that relates to historical defined benefit pension schemes; there is no tax associated with this amount as it is non-deductible for corporation tax purposes.

iii) Adjustment for other finance costs £1.7m (2023: £0.5m)
Other finance costs relate to valuation of put options acquired in a business combination.

iv) Adjustment for other gains and losses (£4.8m) (2023: £nil)
Other gains and losses relate to fair value adjustments as detailed in note 7.

10. Dividends

	2024 per share	2023 per share	2024 £m	2023 £m
Dividends on equity ordinary shares				
Paid final dividend	7.4p	7.4p	3.3	3.4
Paid interim dividend	3.9p	3.9p	1.8	1.8
Dividends paid	**11.3p**	11.3p	**5.1**	5.2

A final dividend of 7.4p per share (2023: 7.4p per share) has been proposed by the Board of Directors and is subject to approval by shareholders at the 2025 AGM scheduled for 30 April 2025. The proposed dividend would be payable on 30 May 2025 to shareholders who are on the register at 22 April 2025. The ex-dividend date is 17 April 2025. This final dividend, amounting to £3.3m has not been recognised as a liability in these financial statements.

Notes to the financial statements

For the year ended 31 December 2024

11. Intangible assets

	Goodwill £m	Intellectual property £m	Web development £m	Total £m
Cost				
At 1 January 2023	–	–	6.6	6.6
Additions	–	–	0.4	0.4
Acquisitions (note 14)	14.5	10.0	–	24.5
Disposals	–	–	(0.3)	(0.3)
At 1 January 2024	14.5	10.0	6.7	31.2
Additions	–	–	0.7	0.7
Acquisitions (note 14)	5.8	7.1	–	12.9
Disposals	–	–	(3.7)	(3.7)
At 31 December 2024	**20.3**	**17.1**	**3.7**	**41.1**
Accumulated amortisation and impairment				
At 1 January 2023	–	–	5.4	5.4
Amortisation	–	0.5	0.6	1.1
Disposals	–	–	(0.3)	(0.3)
At 1 January 2024	–	0.5	5.7	6.2
Amortisation	–	1.7	0.4	2.1
Disposals	–	–	(3.7)	(3.7)
At 31 December 2024	**–**	**2.2**	**2.4**	**4.6**
Net book value at 31 December 2024	**20.3**	**14.9**	**1.3**	**36.5**
Net book value at 31 December 2023	14.5	9.5	1.0	25.0

During the year, the Group acquired increased equity stakes in Two Cities Television Limited, Hello Halo Productions Limited and Rumpus Media Limited which resulted in the recognition of goodwill of £5.8m and intellectual property of £7.1m. In 2023, acquisitions of £24.5m related to the acquisition of Greenbird Media Limited. Intellectual property relates to production intellectual property and distribution intellectual property acquired which each had a net book value of £10.4m (2023: £4.7m) and £4.5m (2023: £4.8m) respectively at the balance sheet date. The remaining average useful life of production intellectual property and distribution intellectual property is 7.3 years (2023: 7.6 years) and 13.5 years (2023: 14.5 years) respectively.

Web development primarily relates to the development of STV Player, which is STV's online streaming platform. Disposals during the year related to web development assets written down to £nil net book value and which are no longer in use.

Impairment review

The Group has £20.3m goodwill recognised in relation to the acquisition of Greenbird Media Limited in 2023, and the acquisitions of Two Cities Television Limited, Hello Halo Productions Limited and Rumpus Media Limited in 2024 (see note 14). The full value has been attributed to the STV Studios cash-generating unit (CGU). The recoverable amount of the CGU has been determined by calculating its value in use. This is based on five-year cash flow projections, which are grounded in the three-year plan for the Studios CGU, prepared by the divisional leadership team. Consideration has also been given to the severe but plausible downside scenario identified in the viability modelling as it relates to the Studios CGU.

The key assumptions on which the forecasts are based include revenue generation (including growth in new commissions and returning series), production and operating margin achievable, and the discount rate. These assumptions have been determined by using a combination of extrapolation of historical trends within the business, internal and industry estimates, and long-term growth rates in the primary markets in which the CGU operates. A long-term growth rate of 2.0% has been applied.

A discount rate of 10.1% has been used in discounting the projected cashflows. No reasonably possible change in assumptions or discount rate would lead to an impairment.

12. Property, plant and equipment

	Leasehold improvements £m	Plant, technical equipment and other £m	Assets under construction £m	Total £m
Cost				
At 1 January 2023	0.4	36.1	1.9	38.4
Additions	–	0.4	0.4	0.8
Acquisitions (note 14)	0.1	0.1	–	0.2
Transfers	–	2.0	(2.0)	–
Disposals	(0.1)	(13.7)	–	(13.8)
At 1 January 2024	0.4	24.9	0.3	25.6
Additions	–	0.4	0.3	0.7
Transfers	–	0.3	(0.3)	–
Disposals	(0.4)	(2.0)	–	(2.4)
At 31 December 2024	**–**	**23.6**	**0.3**	**23.9**
Accumulated depreciation and impairment				
At 1 January 2023	0.2	27.6	–	27.8
Charge for year	0.1	2.6	–	2.7
Disposals	(0.1)	(13.7)	–	(13.8)
At 1 January 2024	0.2	16.5	–	16.7
Charge for year	–	2.6	–	2.6
Disposals	(0.2)	(2.0)	–	(2.2)
At 31 December 2024	**–**	**17.1**	**–**	**17.1**
Net book value at 31 December 2024	**–**	**6.5**	**0.3**	**6.8**
Net book value at 31 December 2023	0.2	8.4	0.3	8.9

The Group and Company did not have any capital commitments at 31 December 2024 (2023: £nil). In 2023, acquisitions of £0.2m related to the acquisition of Greenbird Media Limited on 6 July 2023. Disposals of leasehold improvements relates to assets written down on exit from the leasehold premises. Disposals of plant, technical equipment and other assets relates to the write down of assets with £nil net book value that are no longer in use.

13. Right-of-use assets

The balance sheet shows the following amounts relating to leases:

	Property £m	Vehicles £m	Total £m
Cost			
At 1 January 2023	24.9	0.3	25.2
Acquisitions (note 14)	0.7	–	0.7
At 1 January 2024	25.6	0.3	25.9
Additions	0.1	0.3	0.4
Disposals	(1.7)	(0.3)	(2.0)
At 31 December 2024	**24.0**	**0.3**	**24.3**
Depreciation			
At 1 January 2023	6.4	0.2	6.6
Charge for the year	1.3	0.1	1.4
At 1 January 2024	7.7	0.3	8.0
Disposals	(1.0)	(0.3)	(1.3)
Charge for the year	1.4	–	1.4
At 31 December 2024	**8.1**	**–**	**8.1**
Net book value at 31 December 2024	**15.9**	**0.3**	**16.2**
Net book value at 31 December 2023	17.9	–	17.9

In 2023, acquisitions of £0.7m related to the acquisition of Greenbird Media Limited on 6 July 2023.

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For the year ended 31 December 2024

14. Business combinations

Two Cities Television Limited

In January 2020, the Group acquired a minority stake of 25% in Two Cities Television Limited ('Two Cities'), with an option to increase its initial stake to a majority position upon Two Cities becoming profitable. On 30 January 2024, this option was exercised, and the Group increased its equity stake in Two Cities to 51%.

On the acquisition date, £0.4m of loan notes were converted, resulting in 10% equity being acquired via new shares issued. In line with the accounting requirements for a business combination achieved in stages, this overall initial stake of 35% has been remeasured at fair value at the acquisition date, resulting in a gain of £2.3m, which is presented within other gains and losses on the face of the consolidated income statement.

The consideration payable for the 16% equity that was then acquired through the option was £2.2m, of which £1.7m was paid on completion. Deferred consideration of £0.5m has been recognised which is payable in H1 2025.

The Group has completed its work in relation to assessing the fair values of identifiable assets acquired and liabilities assumed, therefore the amounts presented below are considered final.

Fair value of identifiable assets and liabilities of Two Cities Television Limited and subsidiary companies	2024 £m
Intangible assets	6.5
Inventory	9.4
Trade and other receivables	2.4
Cash and cash equivalents	1.3
Deferred tax liabilities	(1.6)
Trade and other payables	(9.3)
Contract liabilities	(11.5)
Fair value of net identifiable liabilities	(2.8)
Non-controlling interest measured at proportionate share of identifiable net assets	(2.0)
Adjustments to non-controlling interest regarding derivative put options	7.1
Goodwill	3.7
Consideration	6.0

Total net cash outflow relating to acquisition of Two Cities Television Limited and subsidiary companies	£m
Consideration paid	(1.7)
Cash and cash equivalents acquired	1.3
Total cash outflow	(0.4)

	£m
Present value of the expected liability on put options	7.1

The goodwill of £3.7m represents the value placed on the ability of the acquired workforce in place to create and monetise future new productions, formats and intellectual property in scripted drama. It also represents the strategic benefits to be gained from the enlarged scale of the STV drama label portfolio. This has been calculated as the fair value of the consideration transferred, plus the amount of non-controlling interest adjusted for derivative put options relating to subsidiaries acquired, less the net of the fair value of the identifiable assets acquired and liabilities assumed.

From the date of acquisition, Two Cities Television Limited and subsidiary undertakings contributed £31.5m of revenue and £2.7m of adjusted operating profit to the Group's results.

Hello Halo Productions Limited

In July 2023, the Group acquired a minority stake of 30% in Hello Halo Productions Limited and its wholly owned subsidiary Hello Halo Kids Limited (together 'Hello Halo'), as part of the acquisition of the Greenbird Media Limited group. On 30 August 2024, the Group increased its equity stake in Hello Halo to a majority holding of 51%.

In line with the accounting requirements for a business combination achieved in stages, the initial 30% stake has been remeasured at fair value at the acquisition date, resulting in a gain of £0.8m, which is presented within other gains and losses on the face of the consolidated income statement.

The consideration payable for the 21% equity that was acquired in August was £0.8m, which was paid on completion.

The Group has completed the majority of its work in relation to assessing the fair values of identifiable assets acquired and liabilities assumed with only a small number of minor points to be finalised. Therefore, the fair values have been presented as provisional in the table below but it is not anticipated that there will be any material changes between the provisional and final position, which will be finalised within 12 months from the date of acquisition, as required by the relevant accounting standard.

Provisional fair value of identifiable assets and liabilities of Hello Halo Productions Limited and subsidiary company	2024 £m
Intangible assets	0.2
Inventory	2.1
Trade and other receivables	1.3
Contract assets	0.1
Deferred tax liabilities	(0.1)
Trade and other payables	(3.3)
Contract liabilities	(3.2)
Fair value of net identifiable liabilities	(2.9)
Non-controlling interest measured at proportionate share of identifiable net liabilities	–
Adjustments to non-controlling interest regarding derivative put options	2.8
Goodwill	1.9
Consideration	1.8

Total net cash outflow relating to acquisition of Hello Halo Productions Limited and subsidiary company	£m
Consideration paid	(0.8)
Cash and cash equivalents acquired	–
Total cash outflow	(0.8)

	£m
Present value of the expected liability on put options	2.8

The goodwill of £1.9m represents the value placed on the opportunity to enhance the future growth prospects of the STV Studios unscripted division through increasing the volume of new productions, formats and intellectual property. This has been calculated as the fair value of the consideration transferred, plus the amount of non-controlling interest adjusted for derivative put options relating to subsidiaries acquired, less the net of the fair value of the identifiable assets acquired and liabilities assumed.

From the date of acquisition, Hello Halo contributed £3.6m of revenue and £1.0m of adjusted operating profit to the Group's results.

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For the year ended 31 December 2024

14. Business combinations continued

Rumpus Media Limited

In July 2023, the Group acquired a minority stake of 40% in Rumpus Media Limited ('Rumpus'), as part of the acquisition of the Greenbird Media Limited group. On 17 July 2024, the Group increased its equity stake in Rumpus to a majority holding of 99% following the trigger of a 'bad leaver' provision in the share purchase agreement, which resulted in the additional 59% transferring to the Group for nominal consideration.

In line with the accounting requirements for a business combination achieved in stages, the initial stake of 40% has been remeasured at fair value at the acquisition date, resulting in a loss of £0.2m, which is presented within other gains and losses on the face of the consolidated income statement.

The Group has completed the majority of its work in relation to assessing the fair values of identifiable assets acquired and liabilities assumed with only a small number of minor points to be finalised. Therefore, the fair values have been presented as provisional in the table below but it is not anticipated that there will be any material changes between the provisional and final position, which will be finalised within 12 months from the date of acquisition, as required by the relevant accounting standard.

Provisional fair value of identifiable assets and liabilities of Rumpus Media Limited	2024 £m
Intangible assets	0.4
Inventory	0.4
Trade and other receivables	0.8
Contract assets	0.3
Cash and cash equivalents	0.7
Deferred tax liabilities	(0.1)
Trade and other payables	(1.1)
Contract liabilities	(0.9)
Borrowings	(0.3)
Fair value of net identifiable assets	0.2
Goodwill	0.2
Consideration	0.4

Total net cash inflow relating to acquisition of Rumpus Media Limited	£m
Consideration paid	–
Cash and cash equivalents acquired	0.7
Total cash inflow	0.7

Goodwill of £0.2m has been calculated as the fair value of the consideration transferred less the net of the fair value of the identifiable assets acquired and liabilities assumed.

From the date of acquisition, Rumpus contributed £1.9m of revenue and £0.1m of adjusted operating profit to the Group's results.

Greenbird Media Limited

During the year, the Group finalised its fair value assessment of the identifiable assets acquired and liabilities assumed of Greenbird Media Limited and subsidiary companies, acquired on 6 July 2023. The table below sets out the adjustments that have been made to the provisional fair values previously disclosed within the annual financial statements for year ended 31 December 2023, to reach the final position.

Fair value of identifiable assets and liabilities of Greenbird Media Limited and subsidiary companies	Provisional £m	Adjustments £m	Final £m
Intangible assets	10.0	–	10.0
Property, plant and equipment	0.2	–	0.2
Right of use asset	0.7	–	0.7
Investments	1.5	–	1.5
Inventory	1.8	–	1.8
Trade and other receivables	2.0	–	2.0
Contract assets	1.9	–	1.9
Cash and cash equivalents	6.9	–	6.9
Deferred tax liabilities	(2.6)	–	(2.6)
Trade and other payables	(15.4)	0.3	(15.1)
Lease liabilities	(0.8)	–	(0.8)
Contract liabilities	(3.5)	–	(3.5)
Fair value of net identifiable assets	2.7	0.3	3.0
Non-controlling interest measured at proportionate share of identifiable net assets	(4.2)	–	(4.2)
Adjustments to non-controlling interest regarding derivative put options	9.6	(0.3)	9.3
Goodwill	14.5	–	14.5
Consideration	22.6	–	22.6

	Provisional £m	Adjustments £m	Final £m
Present value of the expected liability on put options	9.6	(0.3)	9.3

Since the acquisition date, finance costs of £1.4m have been recognised in relation to unwinding the discount of the put option liability, with £0.9m recognised in the current year. During the year, the put options have been exercised, resulting in a cash outflow to the minority interests of £4.4m. The estimated liability for the remaining amounts payable of £5.5m is recognised in non-current trade and other payables at the balance sheet date.

Cash outflow relating to acquisition of Greenbird Media Limited and subsidiary companies	2024 £m
Deferred consideration paid	(0.6)

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For the year ended 31 December 2024

14. Business combinations continued

Summary of acquisition related transactions for year ended 31 December 2024

	Two Cities £m	Hello Halo £m	Rumpus £m	Greenbird Media £m	Total £m
Cash (outflow)/inflow					
Consideration paid, net of cash acquired	(0.4)	(0.8)	0.7	–	(0.5)
Deferred consideration paid	–	–	–	(0.6)	(0.6)
Acquisition of subsidiary undertakings, net of cash acquired	**(0.4)**	**(0.8)**	**0.7**	**(0.6)**	**(1.1)**
Purchase of additional shares in subsidiary undertakings	**–**	**–**	**–**	**(4.4)**	**(4.4)**
Changes in non-controlling interest					
Proportionate share of net (assets)/liabilities at acquisition date	(2.0)	–	–	–	(2.0)
Present value of expected liability on put options recognised on acquisition	7.1	2.8	–	–	9.9
Adjustments recognised following finalisation of fair value of assets acquired and liabilities assumed	–	–	–	(0.3)	(0.3)
	5.1	**2.8**	**–**	**(0.3)**	**7.6**
Other gains and (losses)					
Revaluation of initial investment held to fair value at acquisition date	2.3	0.8	(0.2)	–	2.9
Revaluation of expected liability of put options to fair value as at 31 December 2024	1.0	–	–	0.9	1.9
	3.3	**0.8**	**(0.2)**	**0.9**	**4.8**

Summary of acquisition related transactions for year ended 31 December 2023

	Greenbird Media £m
Cash (outflow)/inflow	
Acquisition of subsidiary undertakings, net of cash acquired	**(15.0)**
Changes in non-controlling interest	
Proportionate share of net (assets)/liabilities at acquisition date	(4.2)
Present value of expected liability on put options recognised on acquisition	9.6
	5.4

15. Investments

	2024 £m	2023 £m
Group		
Associates	**2.1**	3.9
Other	**0.2**	0.2
	2.3	4.1

	2024 £m	2023 £m
Associates		
At 1 January	**3.9**	2.4
Additions	**–**	1.7
Share of loss	**–**	(0.2)
Reallocations	**(1.8)**	–
At 31 December	**2.1**	3.9

The investments in associates are initially recognised at cost and have subsequently been updated to reflect the Group's share of post-acquisition profits or losses in accordance with the equity method of accounting.

At 1 January 2024, minority investments were held in Two Cities Television Limited, Hello Halo Productions Limited and Rumpus Media Limited, totalling £1.8m. The Group's shareholding was increased to a majority stake in each of these entities during the year (see note 14). The £1.8m investment value held in these associates has been reallocated to investments in subsidiaries and eliminated on consolidation.

The additions in associates during 2023 related to the acquisition of a further 15% stake in quiz show producer, Mighty Productions Limited, for a total consideration of £0.3m in July 2023 and the acquisition of investment in six associates for total consideration of £1.4m, as part of the acquisition of Greenbird Media Limited, ranging from an ownership stake of 25% to 40%.

The Group also owns a 25% shareholding in the unscripted production company, Hello Mary.

No dividends have been received from any associate undertaking. The class of shares held in associates are all ordinary.

The Group also holds shares in Mirriad Advertising plc which has a nominal fair value at the balance sheet date. This investment is measured at fair value through the Consolidated Statement of Comprehensive Income.

	2024 £m	2023 £m
Company		
Share in Group undertakings	**121.8**	121.8
	121.8	121.8

Impairment of investments in subsidiary undertakings

At the end of each reporting period the Company assesses whether there is any indication that its investments in subsidiary undertakings may be impaired. Where such indications exist, the recoverable amount of the associated investment is calculated by determining the higher of its fair value less cost of disposal and value in use, which is then compared to the carrying value of the investment. Where the fair value less cost of disposal cannot be determined, the value in use is deemed to be the recoverable amount. The value in use is calculated based on the five year cash flow projections which are grounded in the three year plan, prepared by management. Overall, the forecast demonstrated strong revenue and profit growth in Studios and Digital in particular, albeit offset by a decline in our Broadcast division, in line with the long term market trend for linear advertising. A terminal value was determined thereafter based on growth of 2.0% (2023: 2.0%). The resulting valuation provided headroom against the investment carrying value.

Further sensitivities were modelled to provide management with comfort that no impairment would be required, namely a +/- 1% change in discount rate and also an operating profit reduction of 10% for all years included in the forecast. Both scenarios still left the Group with headroom. The post-tax discount rate applied to post-tax cash flows was 10.1% (2023: 10.3%).

Based on the above the Directors consider that the investments' recoverable amount is greater than their carrying value and consequently no impairment is considered necessary.

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For the year ended 31 December 2024

15. Investments continued

Subsidiary undertakings

A full list of subsidiary undertakings as at 31 December 2024 is as follows:

Undertaking	Principal activity	Registered address
STV News Services Limited*	Investment holding undertaking	(1)
STV Television Limited	Investment holding undertaking	
STV Central Limited	Television broadcasting	
STV North Limited	Television broadcasting	
STV Studios Limited	Programme production	
STV Drama Productions Limited	Programme production	
STV Documentaries Limited	Programme production	
STV Factual Limited	Programme production	
STV Drama Productions 3 Limited	Programme production	
STV Tod Productions Limited	Programme production	
Primal Media Limited (52%)	Programme production	(1)
STV Studios Services Limited (formerly Greenbird Media Limited)	Investment holding undertaking	(1)
Teal Media Limited	Advertising inventory trading	(1)
Crackit Productions Limited (99%)	Programme production	(2)
Tuesday's Child Television Limited (63%)	Programme production	(2)
Interstellar Television Limited (32%)	Programme production	(2)
Show Me The Honey Limited (32%)	Programme production	(2)
Master or Servant Limited (63%)	Programme production	(2)
Rumpus Media Limited (99%)†	Programme production	(2)
Hello Halo Productions Limited (51%)†	Programme production	(2)
Hello Halo Kids Limited (51%)†	Programme production	(2)
Two Cities Television Limited (51%)†	Programme production	(3)
Two Cities 1984 Limited (51%)†	Programme production	(3)
Two Cities (Blue Lights) Limited (51%)†	Programme production	(3)
Two Cities (Blue Lights 2) Limited (51%)†	Programme production	(3)
Two Cities (Blue Lights 3) Limited (51%)†	Programme production	
Two Cities (Vienna) Limited (51%)†	Programme production	(3)
Ginger Television Productions Limited	Dormant	(1)
SKA Ginger Productions Limited (50%)	Dormant	(1)
Altissimo Music Limited	Music rights	
stv.tv Limited	Dormant	
Solutions.tv Limited	Dormant	
Grampian Television Limited	Dormant	
STV Services Limited*	Group services undertaking	
Scottish News Network Limited	Dormant	
Rise & Shine (Television) Limited*	Dormant	
Peoples champion.com Limited	Dormant	
The Ginger Media Group Limited	Dormant	(1)

* Directly held.
† Acquired in the year.

The registered address for all companies (except where noted) is Pacific Quay, Glasgow, G51 1PQ.

(1) 6th Floor, 236 Grays Inn Road, London, England, WC1X 8HB
(2) 71 Queen Victoria Street, London, England, EC4V 4BE
(3) 18 Glasshouse Studios Fryern Court Road, Fordingbridge, Hampshire, England, SP6 1QX

The investments are stated in the balance sheet at cost less amounts written off for impairment in value. All the above investments are 100% shareholdings except where stated. All subsidiary undertakings are incorporated in the United Kingdom. All shares held are classed as ordinary shares.

All subsidiary undertakings have a financial year end of 31 December 2024 except for STV Drama Productions 3 Limited (31 July), STV Tod Productions Limited (31 August), Two Cities (Blue Lights) Limited (31 May), Two Cities (Blue Lights 2) Limited, Two Cities (Blue Lights 3) Limited (both 30 June) and Two Cities (Vienna) Limited (31 August). The reason that the financial years are non-coterminous with the Group is due to the timing of production commissions and deliveries.

16. Inventories

	Group 2024 £m	Group 2023 £m
Deferred programme production	**14.2**	12.7
Programme production work in progress	**14.6**	11.1
Recorded programmes	**–**	0.6
	28.8	24.4

Deferred programme production stock represents costs of original production which are deferred and recognised against future revenue streams expected to be generated in the secondary sales market. This asset is classified as current, even though it will be realised into cash over several years, due to the homogeneous nature of the inventory which would result in an arbitrary split between the current and non-current categories, and to be consistent with normal industry practice. It is anticipated that £1.3m (2023: £1.3m) is likely to be realised within 12 months.

At 31 December 2024, the net present value (NPV) of the future sales, estimated over a maximum period of 15 years for drama and 10 years for other genres of programming, was £17.6m (2023: £14.4m), compared to a net book value of £14.2m (2023: £12.7m). A discount rate of 10.1% (2023: 10.3%) was applied. Future sales in 2025 are expected to be £2.5m.

The sensitivities regarding the principal assumptions used to support the carrying value of the deferred programme production stock are set out below:

Assumption	Change in assumption	Impact on NPV
Discount rate	Increase/decrease by 0.25%	Decrease/increase by £0.2m
Rate of price inflation (RPI)	Increase/decrease by 0.25%	Increase/decrease by £0.2m
Sales	Increase/decrease by 10.0%	Increase/decrease by £2.2m

17. Trade and other receivables

Group

	Current		Non-current	
	31 December 2024 £m	31 December 2023 £m	**31 December 2024 £m**	31 December 2023 £m
Trade receivables	**16.3**	13.9	**–**	–
Prepayments	**4.1**	8.2	**–**	–
Contract assets	**9.0**	12.9	**–**	–
Other receivables	**14.8**	1.8	**0.5**	1.0
Income tax recoverable	**3.8**	2.1	**–**	–
	48.0	38.9	**0.5**	1.0

Contract assets (accrued income) primarily relate to the Group's right to consideration for work completed but not billed at the reporting date.

The increase in other receivables primarily relates to production activity in a subsidiary company that has taken place overseas. £9.8m of the balance at the year end relates to foreign tax that is due to be received in 2025.

Parent

	Current		Non-current	
	31 December 2024 £m	31 December 2023 £m	**31 December 2024 £m**	31 December 2023 £m
Amounts owed by Group undertakings	**–**	–	**112.3**	125.4
Other receivables	**0.9**	0.6	**–**	–
	0.9	0.6	**112.3**	125.4

A reconciliation of the contract assets balance is included in note 18.

Amounts owed by Group undertakings are unsecured with no interest chargeable.

Notes to the financial statements

For the year ended 31 December 2024

17. Trade and other receivables continued

Group

At 31 December, the ageing analysis of the trade receivables, net of any provisions for impairment, is as follows:

	2024 £m	2023 £m
Not past due	10.2	10.7
Up to 30 days overdue	4.7	2.5
Between 30 and 90 days overdue	0.6	0.4
Over 90 days overdue	0.8	0.3
	16.3	13.9

The Group engages in a number of contra deals whereby advertising is provided in exchange for goods and services instead of cash consideration. The proportion of contra deals not yet utilised by the Group sit within balances that are more than 90 days overdue.

The Group applies the simplified approach to measuring expected credit losses, and so uses a lifetime expected loss allowance. At 31 December 2024, trade receivables with an initial carrying value of £nil (2023: £nil) were impaired and fully provided for. The movements in the provision were as follows:

	2024 £m	2023 £m
At 1 January	–	0.1
Charge for the year	–	–
Amounts utilised	–	(0.1)
Unused amounts reversed	–	–
	–	–

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. Except for those trade receivables that have been provided for, all trade receivables are expected to be recovered.

Company

The expected credit losses on the amounts due from subsidiary undertakings is not material to the financial statements. All amounts owed by Group undertakings are unsecured, interest free and have no fixed date of repayment.

18. Trade and other payables

	Group				Company	
	Current		Non-current			
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Trade and other payables	7.1	14.7	15.2	5.9	–	–
Accrued expenses	16.1	14.0	–	–	–	–
Contract liabilities	21.4	6.0	–	–	–	–
Amounts owed to Group undertakings (payable on demand)	–	–	–	–	3.3	3.8
Social security and other taxes	3.5	3.2	–	–	–	–
	48.1	37.9	15.2	5.9	3.3	3.8

The Directors consider that the carrying amount of trade and other payables approximates their fair value.

Trade and other payables include put option liabilities acquired from business combinations of £15.2m (2023: £10.1m), and will mature over the next five years. Contract liabilities (deferred income) primarily relate to the consideration received from customers in advance of transferring a good or service.

The amounts owed to Group undertakings are unsecured with no interest chargeable.

	2024		2023	
	Contract assets £m	Contract liabilities £m	Contract assets £m	Contract liabilities £m
Balance at 1 January	12.9	(6.0)	8.6	(31.1)
Acquisitions (note 14)	0.4	(15.6)	1.9	(3.5)
Transfers to trade receivables	(13.2)	–	(8.6)	–
Changes to the measurement of progress	8.9	–	11.0	–
Revenue recognised in the period	–	21.5	–	33.6
Cash received	–	(21.3)	–	(5.0)
Balance at 31 December	9.0	(21.4)	12.9	(6.0)

The contract liabilities balance will all be recognised as revenue within one year of the balance sheet date.

19. Borrowings

Non-current liabilities

	Group	
	2024 £m	2023 £m
Bank loans	39.6	41.6

At the balance sheet date, the Group had a £70m revolving credit facility (RCF) in place, with a £10m accordion, maturing in March 2026. The principle financial covenants are the ratio of net debt to EBITDA (which must be below 3 times) and interest cover (which must be higher than 4 times).

The effective interest rate on bank loans was:

	2024 %	2023 %
Bank loans (floating)	7.2	6.6

Current liabilities

	Group		Company	
	31 December 2024 £m	31 December 2023 £m	31 December 2024 £m	31 December 2023 £m
Bank overdraft	–	4.6	–	3.2
Bank loans	10.2	–	–	–
	10.2	4.6	–	3.2

The Group has two loan facilities relating to production financing of which £9.9m in total was drawn down at the balance sheet date. The commissioned programmes to which the facilities relate are expected to deliver in 2025 with all amounts drawn down to be settled during the year. There also exists borrowings under CBILS of £0.3m in one of the subsidiary companies, which has been repaid in Q1 2025.

20. Lease liabilities

	Group	
	2024 £m	2023 £m
Current	0.8	1.2
Non-current	16.6	17.9
	17.4	19.1

The income statement shows the following amounts relating to leases:

	Group	
	2024 £m	2023 £m
Interest expense (included in finance costs)	0.5	0.5

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For the year ended 31 December 2024

20. Lease liabilities continued
Maturity analysis

	Minimum payments		Present value of payments	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Not later than 1 year	**1.3**	1.7	**0.8**	1.2
Later than 1 year but not later than 5 years	**5.3**	5.7	**3.7**	4.1
Later than 5 years	**15.1**	16.4	**12.9**	13.8
	21.7	23.8	**17.4**	19.1
Less: future finance charges	**(4.3)**	(4.7)		
Present value of lease obligations	**17.4**	19.1		

21. Fair value hierarchy
Group

The financial instruments included in the Consolidated balance sheet are measured at either fair value or amortised cost. Financial assets are recorded at amortised cost with the exception of equity investments which are recognised at fair value through other comprehensive income (FVOCI) and derivative financial instruments which are recognised at fair value through profit and loss (FVTPL). Financial liabilities are measured at amortised cost with the exception of derivative financial instruments which are recognised at fair value through profit and loss (FVTPL). The different valuation methods are called 'hierarchies' and are described below.

Level 1 – Fair values are measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Fair values are measured using inputs, other than quoted prices included within Level 1, which are observable for the asset or liability either directly or indirectly. Forward foreign exchange contracts are accounted for at the difference between the contract exchange rate and the quoted forward exchange rate at the reporting date.

Level 3 – Fair values are measured using inputs for the asset or liability that are not based on observable market data.

	Total £m	Level 1 £m	Level 2 £m	Level 3 £m
Assets measured at fair value at 31 December 2024				
Financial assets at fair value through profit or loss				
– Foreign exchange forward contracts	0.5	–	0.5	–
	0.5	**–**	**0.5**	**–**

	Total £m	Level 1 £m	Level 2 £m	Level 3 £m
Liabilities measured at fair value at 31 December 2024				
Financial liabilities at fair value through profit or loss				
– Acquisition-related liabilities – payable to sellers under put options agreed on acquisition (note 7)	(15.2)	–	–	(15.2)
	(15.2)	**–**	**–**	**(15.2)**

The acquisition-related liabilities are recognised within non-current trade and other payables (note 18). There have been no changes in the classification of assets and liabilities and there have been no movements within levels. Information on the fair value measurements of level 3 assets and liabilities is detailed in the relevant notes referenced above.

Assets measured at fair value at 31 December 2023
There were no assets measured at fair value at 31 December 2023.

	Total £m	Level 1 £m	Level 2 £m	Level 3 £m
Liabilities measured at fair value at 31 December 2023				
Financial liabilities at fair value through profit or loss				
– Acquisition-related liabilities – payable to sellers under put options agreed on acquisition (note 7)	(10.1)	–	–	(10.1)
	(10.1)	**–**	**–**	**(10.1)**

The acquisition-related liabilities are recognised within trade and other payables, £4.2m current and £5.9m non-current (see note 18).

22. Deferred tax
The analysis of the deferred tax balance is as follows:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Deferred tax assets	**19.5**	19.8	**4.8**	6.4
Deferred tax liabilities	**(3.8)**	(2.6)	**–**	–
Net deferred tax assets	**15.7**	17.2	**4.8**	6.4

The movement in deferred tax assets and liabilities during the year, taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Tax trading losses £m	Other temporary differences £m	Accelerated tax depreciation £m	Retirement benefit obligations £m	Total £m
Group					
At 1 January 2023	5.4	0.7	0.1	15.7	21.9
Credit/(charge) to income	0.2	–	(0.3)	(1.5)	(1.6)
Charge to equity/OCI	–	–	–	(0.5)	(0.5)
Liability recognised on acquisition (note 14)	–	(2.6)	–	–	(2.6)
At 1 January 2024	5.6	(1.9)	(0.2)	13.7	17.2
Credit/(charge) to income	1.5	0.2	0.2	(1.7)	0.2
Credit to equity/OCI	–	–	–	0.1	0.1
Liability recognised on acquisition (note 14)	–	(1.8)	–	–	(1.8)
At 31 December 2024	**7.1**	**(3.5)**	**–**	**12.1**	**15.7**
Company					
At 1 January 2023	–	–	–	7.3	7.3
Charge to income	–	–	–	(0.5)	(0.5)
Charge to equity/OCI	–	–	–	(0.4)	(0.4)
At 1 January 2024	–	–	–	6.4	6.4
Charge to income	–	–	–	(0.6)	(0.6)
Charge to equity/OCI	–	–	–	(1.0)	(1.0)
At 31 December 2024	**–**	**–**	**–**	**4.8**	**4.8**

The Finance Act 2024, which received Royal Assent on 24 May 2024, had no impact on the corporation tax figures. The deferred tax balances at 31 December 2024 have been stated at a rate of 25% (2023: 25%), which is the rate at which the temporary differences are expected to unwind. A deferred tax asset has been recognised in respect of certain temporary differences as it is probable that the Group will generate sufficient taxable profits in the future against which these temporary differences can be offset.

A deferred tax asset of £13.5m has not been recognised (2023: £14.8m), calculated with reference to the headline rate of 25%. There are no associated expiry dates applicable. The following table summarises the nature and size of deferred tax assets not recognised.

Company	Loss category	Gross amount £m	Deferred tax asset not recognised £m
STV Group plc	Capital	42.7	10.7
STV News Services Ltd	Non-trade loan relationships	8.7	2.2
STV Central Ltd	Trading	1.8	0.4
STV Television Ltd	Management expenses	0.7	0.2

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23. Ordinary shares and share premium

	Number of shares (thousands)	Ordinary shares £m	Share premium £m	Total £m
Group and Company				
At 1 January and 31 December 2024	**46,723**	**23.3**	**115.1**	**138.4**

The total authorised number of ordinary shares is 63 million shares (2023: 63 million shares) with a par value of £0.50 per share (2023: £0.50 per share). All issued shares are fully paid.

24. Notes to the consolidated and parent statement of cash flows

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Operating profit/(loss) for the year	**13.2**	6.4	**(0.6)**	(1.2)
Adjustments for:				
Depreciation and amortisation (note 4)	**6.1**	5.2	**–**	–
Share based payments	**0.1**	0.6	**0.1**	0.6
Loss on disposal of assets	**0.2**	–	**–**	–
Decrease in inventories	**8.0**	24.3	**–**	–
(Increase)/decrease in trade and other receivables	**(5.0)**	3.4	**(0.3)**	–
(Decrease)/increase in trade and other payables	**(4.9)**	(29.1)	**0.3**	0.3
Decrease in intra Group balances	**–**	–	**12.6**	11.3
Cash generated by operations	**17.7**	10.8	**12.1**	11.0

Non-cash investing and financing activities
No right of use assets were acquired during the year (2023: £0.7m).

Net debt reconciliation

	RCF £m	Production financing £m	Net cash and cash equivalents, including overdrafts £m	Net (debt)/ cash £m	Lease liabilities £m	Net debt including lease liabilities £m
At 1 January 2023	(26.4)	–	11.3	(15.1)	(19.6)	(34.7)
Cash flows	(11.7)	(3.3)	(2.0)	(17.0)	1.8	(15.2)
Non-cash movements*	(0.2)	–	–	(0.2)	(1.3)	(1.5)
At 31 December 2023	(38.3)	(3.3)	9.3	(32.3)	(19.1)	(51.4)
Cash flows	(0.9)	(6.6)	1.8	(5.7)	1.8	(3.9)
Non-cash movements*	(0.7)	–	–	(0.7)	(0.1)	(0.8)
At 31 December 2024	**(39.9)**	**(9.9)**	**11.1**	**(38.7)**	**(17.4)**	**(56.1)**

Net debt excluding production financing was £28.8m (2023: £29.0m).

* Non-cash movements relate to the amortisation of borrowing costs (for long-term borrowings), borrowings recognised on acquisition, the acquisition of right-of-use assets and lease interest.

25. Retirement benefit schemes

Defined contribution schemes
The Group operates two money purchase schemes, the STV Pension Scheme and the Pearl & Dean Cinemas Pension Scheme. Total employer contributions expensed by the Group in the year were £1.1m (2023: £1.0m).

Defined benefit schemes
The Group operates two defined benefit pension schemes, the benefits of which are related to service and final salary. The schemes are trustee administered and the schemes' assets are held independently from those of the Group. Pension costs are assessed in accordance with the advice of an independent professionally qualified actuary. Details on the principal risk identified in relation to defined benefit pension scheme liabilities is on page 39.

The schemes are the Scottish and Grampian Television Retirement Benefit Scheme and the Caledonian Publishing Pension Scheme. Both are closed schemes and accounted for under the projected unit credit method.

The net deficit of the schemes is recognised in the consolidated balance sheet, with the deficit of the Caledonian Publishing Pension Scheme recognised in the Company balance sheet as STV Group plc is the sponsoring employer. In both the Group and Company balance sheets, the net deficits are presented within non-current liabilities as follows:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Defined benefit scheme obligations	**(319.1)**	(350.2)	**(121.8)**	(137.3)
Defined benefit scheme assets	**270.8**	295.4	**102.6**	111.8
Net pension deficit	**(48.3)**	(54.8)	**(19.2)**	(25.5)

A related, offsetting deferred tax asset for the Group of £12.1m (2023: £13.7m) and the Company of £4.8m (2023: £6.4m) is included within non-current assets. Therefore, the pension scheme deficit net of deferred tax for the Group was £36.2m at 31 December 2024 (2023: £41.1m) and the Company was £14.4m (2023: £19.1m).

Assumptions used to estimate the scheme obligations
The significant actuarial assumptions used for accounting purposes reflect prevailing market conditions in the UK and are as follows:

	Group and Company	
	2024 %	2023 %
Rate of increase in salaries	**nil**	nil
Rate of increase of pensions in payment	**3.25**	3.15
Discount rate	**5.45**	4.50
Rate of price inflation (RPI)	**3.25**	3.15

Assumptions regarding future mortality experience are set based on advice, published statistics and experience in each scheme and are reflected in the table below (average life expectations of a pensioner retiring at age 65).

	Group		Company	
	2024 Years	2023 Years	**2024 Years**	2023 Years
Retiring at balance sheet date:				
Male	**20.7**	20.5	**20.3**	20.0
Female	**22.9**	22.7	**22.6**	22.3
Retiring in 25 years:				
Male	**21.9**	21.7	**21.8**	21.5
Female	**24.0**	24.0	**24.0**	23.7

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For the year ended 31 December 2024

25. Retirement benefit schemes continued

The sensitivities regarding the principal assumptions used to measure the defined benefit obligation are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Group		
Discount rate	Increase/decrease by 0.25%	Decrease/increase by 2%
Rate of price inflation (RPI)	Increase/decrease by 0.25%	Increase/decrease by 1%
Rate of mortality	Decrease by 1 year	Decrease by 4%
Company		
Discount rate	Increase/decrease by 0.25%	Decrease/increase by 2%
Rate of price inflation (RPI)	Increase/decrease by 0.25%	Increase/decrease by 1%
Rate of mortality	Decrease by 1 year	Decrease by 4%

These sensitivities have been calculated to show the movement in the defined benefit obligations in isolation, and assuming no other changes in market conditions at the balance sheet date.

Defined benefit scheme assets

The movement in the fair value of the defined benefit scheme's assets is analysed below:

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Fair value of scheme assets at 1 January	295.4	289.8	111.8	110.0
Interest income	12.9	13.7	4.9	5.2
Return on plan assets excluding interest income	(22.8)	7.2	(7.6)	3.4
Contributions from the employer	10.2	10.0	3.9	3.8
Administrative expenses paid from plan assets	(1.0)	(0.9)	(0.5)	(0.5)
Benefits paid from plan	(23.9)	(24.4)	(9.9)	(10.1)
Fair value of scheme assets at 31 December	270.8	295.4	102.6	111.8

At 31 December 2024, the assets were invested in a diversified portfolio that consisted primarily of investment funds and debt instruments. One of the schemes also holds insurance policies that pay an income into the scheme. The corresponding assets are included within the fair value of the scheme assets. The fair value of the Scheme's assets is shown below:

	At 31 December 2024			At 31 December 2023		
Group	Quoted £m	Unquoted £m	Total £m	Quoted £m	Unquoted £m	Total £m
Equity and equity options	9.2	47.5	56.7	15.4	65.7	81.1
Alternative return seeking	8.0	24.2	32.2	20.9	41.9	62.8
Cashflow matching credit	1.7	61.9	63.6	1.8	53.1	54.9
Liability-Driven Investments and cash	147.5	(39.1)	108.4	119.6	(37.0)	82.6
Currency hedge	–	(0.1)	(0.1)	–	1.0	1.0
Annuity policies	–	10.0	10.0	–	13.0	13.0
	166.4	104.4	270.8	157.7	137.7	295.4

	At 31 December 2024			At 31 December 2023		
Company	Quoted £m	Unquoted £m	Total £m	Quoted £m	Unquoted £m	Total £m
Equity and equity options	3.6	18.7	22.3	6.0	26.2	32.2
Alternative return seeking	3.2	9.6	12.8	8.0	16.8	24.8
Cashflow matching credit	0.7	25.1	25.8	0.7	21.6	22.3
Liability-Driven Investments and cash	58.5	(16.8)	41.7	48.8	(16.7)	32.1
Currency hedge	–	–	–	–	0.4	0.4
	66.0	36.6	102.6	63.5	48.3	111.8

Defined benefit scheme obligations

The movement in the present value of the defined benefit obligation is analysed below:

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Defined benefit obligation at 1 January	350.2	352.9	137.3	139.0
Experience loss/(gain)	5.4	2.8	(2.0)	0.9
Interest cost	15.3	16.5	6.0	6.5
Remeasurement (gain)/loss	(27.9)	2.4	(9.6)	1.0
Benefits paid from the schemes	(23.9)	(24.4)	(9.9)	(10.1)
Defined benefit obligation at 31 December	319.1	350.2	121.8	137.3

The defined benefit obligation at 31 December 2024 includes an amount of £10.0m relating to the benefits payable to the holders of the annuity contracts.

Amounts recognised through the income statement

Amounts recognised through the consolidated income statement are as follows:

	2024 £m	2023 £m
Amount charged to operating expenses:		
Administration expenses	(1.0)	(0.9)
Amount charged to finance costs:		
Net interest expense	(2.4)	(2.8)
Total charged in the consolidated income statement	(3.4)	(3.7)

Amounts recognised through the statement of comprehensive income

The amounts recognised in the consolidated statement of comprehensive income are:

	2024 £m	2023 £m
Return on plan assets excluding interest income	(22.8)	7.2
Actuarial losses on liabilities arising from change in:		
– demographic assumptions	0.3	6.5
– financial assumptions	27.6	(8.9)
– experience adjustments	(5.4)	(2.8)
Total recognised in the consolidated statement of comprehensive income	(0.3)	2.0

Funding arrangements

Contribution rates to the scheme are determined by a qualified independent actuary on the basis of a triennial valuation using the projected unit credit method. The most recent triennial valuation was carried out as at 31 December 2023. This valuation resulted in a deficit of £61m on a pre-tax basis compared to £116m on a pre-tax basis at the previous settlement date.

Deficit recovery plans, which end in 31 October 2030, have been agreed with aggregate monthly payments slightly lower than the previous recovery plans. The 2024 deficit recovery payments totalled £9.9m, with annual payments then increasing at the rate of 2% per annum over the term of the recovery plans. The contingent cash mechanism previously in place has been paused until at least 2028 with no further contingent payments required until then unless the Group and the trustees agree otherwise.

The recovery plans are designed to enable the schemes to reach a fully funded position, using prudent assumptions about the future, by 2030.

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023 considered the implications of section 37 of the Pension Schemes Act 1993. The court decision was subject to appeal, with the Court of Appeal judgement published on 25 July 2024, upholding the High Court's ruling. The Company has no reason to believe that the relevant requirements were not complied with. Having consulted with their legal advisors, the Company has determined that there is no need for action at this time and therefore no allowance has been made for any additional liabilities arising as a result of this judgement.

Notes to the financial statements

For the year ended 31 December 2024

26. Share-based compensation

The purpose of the share-based compensation plans is to align the interests of management and employees with those of shareholders by providing incentives to improve the Company's performance on a long-term basis, thereby increasing shareholder value.

The Company has the following plans currently operating:

i) Long-term incentive plans
ii) Employee share plans

Total share-based compensation costs were £0.1m (2023: £0.6m).

i) Long-term incentive plans (LTIP)
The Group has a long-term incentive plan for Executive Directors and other senior executives. Awards are normally granted in the form of a right to acquire shares in the Company for a zero or nominal amount. Awards vest over a period of at least three years, subject to the satisfaction of performance conditions.

The performance measures are agreed by the Remuneration Committee based on what they consider to be aligned with the delivery of strategy and creation of long term shareholder value. The Committee has discretion to use different or additional measures or weightings to ensure that the LTIP remains appropriately aligned to the business strategy and objectives. The performance measures are based on a combination of earnings growth and total shareholder return and are valued based on an appropriate option pricing model.

The assumptions used for the 2024 LTIP valuation are:

	%
Risk-free interest rate expected	4.2
Dividend yield expected share	3.8
Price volatility	31.9

Awards granted under the Company's long term incentive plan that were outstanding at the end of the year had the following market prices at the date of award:

Year awarded	Market price on grant date £	2024 Number	2023 Number
2015 LTIP	4.25	1,607	1,607
2016 LTIP	3.67	3,755	3,755
2017 LTIP	3.65	7,118	7,118
2019 LTIP	3.55	142,780	209,565
2020 LTIP	2.85	139,943	192,285
2021 LTIP	3.30	51,894	468,448
2022 LTIP	3.20	–	471,267
2023 LTIP	2.52	437,331	609,473
2024 LTIP	2.40	489,123	–

The weighted average fair value of share options outstanding was £2.7m (2023: 6.7m).

ii) Employee share plans
The employee share plans are open to all employees. They provide for a grant price approximately equal to 90% of the middle market quotation of a share on the dealing day last preceding the relevant date of invitation, as derived from the London Stock Exchange daily office list, and can be purchased once a year. There are currently 2 employee share plans outstanding and the exercise prices for options under these plans range from £2.35 to £2.47. At 31 December 2024 there were 335,187 (2023: 306,319) options outstanding under the plans. The employee share plans are valued using the Black-Scholes model.

Employee Benefits Trust
The Group has investments in its own shares as a result of shares purchased by the STV Employees' Benefit Trust ('EBT'). Transactions with the Group-sponsored EBT are included in these financial statements and consist of the EBT's purchases of shares in STV plc, which is accounted for as a reduction to retained earnings. The table below shows the number of STV plc shares held in the EBT at 31 December 2024 and the purchases/(releases) from the EBT made in the year to satisfy awards under the Group's share schemes disclosed above and in relation to shares awarded to certain employees for the achievement of long term service milestones (Loyalty awards):

Scheme	Shares held at	Average exercise price £	Number of shares (released)/purchased	Nominal value £
	1 January 2024		1,173,922	586,961
2019 LTIP releases		2.09	(64,925)	
2020 LTIP releases		2.09	(52,071)	
2021 LTIP releases		2.09	(19,309)	
Loyalty releases		2.32	(5,573)	
	31 December 2024		**1,032,044**	**516,022**

The total number of shares held by the EBT at 31 December 2024 represents 2.2% (2023: 2.5%) of STV's issued share capital. The market value of own shares held at 31 December 2024 is £2.2m (2023: £2.3m). The weighted average exercise price of share options outstanding was £2.67 (2023: £3.02). The weighted average remaining contractual life of share options outstanding was 7.5 years (2023: 9.0 years).

27. Financial risk management

Capital management
The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. This is achieved through monitoring cashflow forecasts, utilising cost effective production financing where practical and through regular review of both current and forecast covenant metrics. The Group also targets a return on invested capital at a rate that is at least equivalent to the Group's weighted average cost of capital when assessing potential investments.

The capital structure of the Company consists of debt, which includes the bank loans disclosed in note 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings.

Covenants
The Group is subject to two financial covenants in respect of its committed borrowing facilities. The terms of the Facility Agreement contain the following covenants (i) the ratio of average net debt to adjusted earnings (pre adjusting) before interest, tax, depreciation and amortisation (EBITDA) and (ii) the ratio of adjusted EBITDA to cash interest, both of which are tested quarterly. The Group complied with all the required covenants in each of the test periods to the balance sheet date.

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the Board with financial risks being identified, evaluated and hedged in close co-operation with the Group's operating divisions. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as currency risk, interest rate risk, credit risk, use of financial instruments and investing excess liquidity.

a. Currency risk
The Group operates almost wholly within the UK and is exposed to minimal currency risk. The Group's borrowings are denominated in Sterling which is also the Group's intra-UK net currency flow. Currency risk arises primarily with respect to the Euro and the US dollar and from future commercial transactions and trade assets and liabilities in foreign currencies. No further active management of currency risk is required. The Group has minimal exposure to currency risk and it is Group policy to ensure that all material payments or receipts are fully hedged. At 31 December 2024 the Group had foreign currency forward contracts in place resulting in a financial asset, presented within other receivables, of £0.5m (2023: £nil), as detailed in note 21.

b. Credit risk
Credit risk is the risk of losses due to the failure of the Group's customers to meet their payment obligations towards the Group. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. Independent credit ratings are sought for all potential customers and based on the outcome of the feedback from the ratings agency, a judgement is made on the appropriate level of credit to be given.

Notes to the financial statements

For the year ended 31 December 2024

27. Financial risk management continued

c. Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations. Prudent liquidity management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the nature of the underlying business, the aim is to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facility (note 19) and net cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at a Group level. In addition, the Group's liquidity management policy includes projecting cash flows and considering the level of liquid assets necessary to meet these: monitoring balance sheet liquidity ratios against internal targets and bank facility requirements; and maintaining debt financing plans.

d. Cash flow interest rate risk

As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings.

Borrowings issued at short-term floating rates expose the Group to cash flow interest rate risk.

Regular sensitivity analysis is carried out, and on the level of borrowings of the Group at 31 December 2024, a movement of 1.00% in interest rates would change the level of interest paid in the year by +/- £0.5m (2023: £0.3m). 1.00% is considered a reasonably possible change from the decrease already observed in the Bank of England base rate in the year.

28. Transactions with related parties

Key management compensation

Key management personnel are deemed to be the Executive and Non-Executive Directors of the Group, as they have authority and responsibility for controlling the Group's activities. Key management remuneration is detailed as follows:

	2024 £m	2023 £m
Short-term employee benefits*	**1.8**	1.6

* See the Directors' Remuneration Report on pages 92 to 105 for details.

Other related party transactions

The Group provided advertising with an estimated fair value of £0.6m (2023: £0.6m) for nil consideration to the charity organisation STV Appeal. The charity purchased advertising from the Group for a total of £0.2m (2023: £0.1m).

Amounts paid to the Group's retirement benefit plans are set out in note 25.

A £0.6m dividend was paid to the Managing Director and minority shareholder of subsidiary company Tuesday's Child Television Limited during the period.

29. Contingent liabilities and other commitments

Company

Under a group registration for Value Added Tax, the companies within the Group are jointly and severally liable for Value Added Tax due by any member of the group registration. At 31 December 2024, the Value Added Tax payable by other members of the group registration amounted to £1.8m (2023: £1.5m).

30. Post balance sheet events

Group

In February 2025, the Group successfully refinanced its revolving credit facility (RCF) and put in place a new RCF for £70m, with £20m accordion, for a term of at least 3 years (two 1-year extension options are available). The key financial covenants remain the same as the previous RCF and are leverage (ratio of net debt to EBITDA), which must be less than 3x, and interest cover, which must be more than 4x. There is no margin ratchet associated with the new RCF and the Group will pay a flat rate of interest regardless of leverage for the duration of the facility.

Corporate advisers

Registrars

MUFG Corporate Markets (formerly Link Group)
Central Square
29 Wellington Street
Leeds LS1 4DL
Tel: 0371 664 0300*

Email: shareholderenquiries@cm.mpms.mufg.com
Shareholder Portal: www.signalshares.com

Independent auditors

Deloitte LLP
Chartered Accountants and Statutory Auditors
110 Queen Street
Glasgow G1 3BX

Solicitors

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG

Burness Paull LLP
120 Bothwell Street
Glasgow G2 7JL

Joint bankers

Santander UK plc
2 Triton Square
Regent's Place
London NW1 3AN

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Joint corporate brokers

Panmure Liberum
Ropemaker Place, Level 12
25 Ropemaker Street
London EC2Y 9LY

Shore Capital Markets
Cassini House
57 St James's Street
London SW1A 1LD

Secretary and registered office

Eileen Malcolmson
STV Group plc
Pacific Quay
Glasgow G51 1PQ
Tel: 0141 300 3000
Email: eileen.malcolmson@stv.tv

Company registration number

SC203873

Annual Report on internet

The 2024 Annual Report of STV Group plc including the financial statements is available at: www.stvplc.tv

Investor relations

For investor enquiries please contact:

Kirstin Stevenson
Head of Communications
STV Group plc
Pacific Quay
Glasgow G51 1PQ
Tel: 0141 300 3886
Email: kirstin.stevenson@stv.tv

* Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9am-5:30pm, Monday to Friday excluding public holidays in England and Wales.

Shareholder services

Share price information
The share price of STV Group plc is published in most newspapers and the current price of the Company's shares (delayed by up to 15 minutes) can be obtained from the Company's website **www.stvplc.tv**

Individual Savings Accounts (ISAs)
The Company has Maxi and Mini ISAs which offer United Kingdom resident shareholders a simple, low-cost and tax efficient way to invest in the Company's shares. Full details and an application form are available from Stocktrade, a division of Brewin Dolphin Securities Limited, on 0131 240 0441.

Shareholder queries
If you have any questions in relation to your shareholding, please contact MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds, LS1 4DL; email: **shareholderenquiries@cm.mpms.mufg.com**; telephone 0371 664 0300*.

Shareholder portal
You can register online to view your holdings using the Shareholder Portal, a service offered by MUFG Corporate Markets at **www.signalshares.com**. The Shareholder Portal is an online service enabling you to quickly and easily access and maintain your shareholding online, reducing the need for paperwork and providing 24 hour access for your convenience. Through the Shareholder Portal you may:

- Cast your proxy vote online
- View your holding balance and get an indicative valuation
- View movements on your holding
- View the dividend payments you have received
- Update your address
- Register and change bank mandate instructions so that dividends can be paid directly to your bank account
- Elect to receive shareholder communications electronically
- Access a wide range of shareholder information including the ability to download shareholder forms

Dividend payment options
UK shareholders: STV normally pays dividends twice each year and we would like to encourage you to elect to have your dividends paid directly into your bank account. This is a more secure method of payment and avoids delays or cheques being lost. You can sign up for this service on the Shareholder Portal **www.signalshares.com**. This will allow you to receive all future dividends direct to your chosen account.

Non-UK shareholders: If you are resident outside the UK you can have any dividends in excess of £10 paid into your bank account directly via MUFG Corporate Markets international payments service. Details and terms and conditions may be viewed at **www.mpms.mufg.com**

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