Granada Screen (2005) Limited

Directors' report and
financial statements

Registered number 5344772
Year ended 31 December 2011

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2011 The comparatives are for the year ended 31 December 2010

Principal activities and business review

The principal activity of Granada Screen (2005) Limited ("the Company") continues to be the exploitation of feature film production, which commenced on 11 July 2005

The results for the Company show a pre tax profit of £54,000 (2010 pre tax profit of £81,000) for the year and sales of £100,000 (2010 £154,000)

The Company has met the requirements in Companies Act 2006 to obtain the exemption provided from the presentation of an enhanced business review

Directors

The directors who held office during the year and up to the date of this report were as follows

Eleanor Irving
Helen Tautz

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2010 £nil)

Dividends

The Directors do not recommend the payment of a final dividend (2010 £nil)

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit plc will therefore continue in office

By order of the board

H Tautz

Helen Tautz
Director 26 June 2012

The London Television Centre
Upper Ground
London
SE1 9LT

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

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Independent auditor's report to the members of Granada Screen (2005) Limited

We have audited the financial statements of Granada Screen (2005) Limited for the year ended 31 December 2011 set out on pages 5 to 10 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements
In our opinion the financial statements
- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Mark Summerfield (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

28th June 2012

Profit and loss account

	Note	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Turnover	1	**100**	154
Cost of Sales		**(25)**	(40)
Gross Profit		**75**	114
Operating costs		**(21)**	(33)
Operating profit		**54**	81
Profit on ordinary activities before taxation		**54**	81
Taxation	3	**-**	-
Profit for the financial year		**54**	81

The results stated above are all derived from continuing activities

A statement of total recognised gains and losses has not been included as part of these financial statements as the Company made no gains or losses in the year other than those disclosed above in the profit and loss account

A note on historical cost profits and losses has not been included as part of these financial statements since the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis

The notes on pages 7 to 10 form part of these financial statements

Balance sheet

	Note	31 December 2011 £000	31 December 2010 £000
Current assets			
Debtors	4	3,888	3,834
Net current assets		3,888	3,834
Total assets less current liabilities		3,888	3,834
Net assets		3,888	3,834
Capital and reserves			
Called up share capital	5	-	-
Profit and loss reserve	6	3,888	3,834
Equity shareholders' funds		3,888	3,834

The notes on pages 7 to 10 form part of these financial statements

These financial statements were approved by the board of directors on 26 June 2012 and were signed on its behalf by

H Tautz

Helen Tautz
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of preparation

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

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of ITV plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of ITV plc, within which this Company is included, can be obtained from the registered office at The London Television Centre, Upper Ground, London SE1 9LT

Going concern

The Company does not have a bank account Cash receipts and payments are accounted for on the Company's behalf by fellow subsidiaries and are reflected in the movement in amounts owed to/from group undertakings

The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the following reason The Company is dependent for its working capital on funds provided to it by ITV Studios Limited, the Company's immediate parent undertaking ITV plc, the Company's ultimate parent undertaking, has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements it will continue to make available such funds as are needed by the Company and, in particular, will not seek repayment of the amounts currently made available This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements they have no reason to believe that it will not do so

On this basis, and on their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue in existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Turnover

Productions in progress and completed films are carried forward at the lower of total cost and net realisable value Cost includes all direct expenditure on a production Contributions received towards the cost of productions in progress are classified as deferred revenue until the production is completed, upon which such contributions are recognised as revenue and appropriate production costs recognised as cost of sales

Following delivery of the production, further revenue is earned from exploitation and distribution rights Revenue earned on the exploitation of film and programme rights is recognised as turnover at the point at which the right sold is available for exploitation by the licencee All amounts recognised as turnover are stated net of VAT or equivalent sales taxes and net of rebates or refunds

The right sold is considered to be available for exploitation by the licencee at the point when a binding commitment exists with a customer, the programme is available for exploitation and the physical material is available for delivery

Taxation
The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Deferred tax assets are recognised to the extent that it is more likely than not that the asset will be recovered

2 Staff costs, directors' emoluments and auditor's remuneration

There were no employees and hence no staff costs in the year (2010 £nil)

No director received any remuneration for their services to the Company (2010 £nil)

The auditor's remuneration of £1,000 (2010 £1,000) was borne by another group Company

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, ITV plc

3 Taxation

Analysis of charge in year

		Year ended 31 December 2011		Year ended 31 December 2010
	£000	**£000**	£000	£000
UK corporation tax				
Corporation tax on income for the period	-		-	
Total current tax charge		-		-
Tax charge on profit on ordinary activities		-		-

The current tax charge for the year is lower (2010 charge, lower) than the standard rate of corporation tax in the UK of 26 5% (2010 28%)

The differences are explained below

	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Current tax reconciliation		
Profit on ordinary activities before tax	**54**	81
Current tax charge at 26 5% (2010 28%)	**(14)**	(23)
Effects of		
Permanent differences and group relief	**14**	23
Total current tax charge (see above)	-	-

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax to 26 percent with effect from 1 April 2011 and a further reduction to 25 percent with effect from 1 April 2012 These changes have been substantively enacted by the year end and included in the calculation above

4 Debtors

	31 December 2011 £000	31 December 2010 £000
Amounts owed by Group undertakings	**3,888**	3,834
	3,888	3,834

5 Share capital

	31 December 2011 £	31 December 2010 £
Issued and fully paid		
2 £1 ordinary shares	**2**	2

6 Reconciliation of movements in shareholders' funds

	Share capital £000	Profit and loss account £000	Total £000
At 1 January 2011	-	3,834	**3,834**
Profit for the year	-	54	**54**
At 31 December 2011	-	**3,888**	**3,888**

7 Contingent liabilities

Under a group registration, the Company is jointly and severally liable for VAT at 31 December 2011 of £35 million (31 December 2010 £39 million)

In the opinion of the directors, adequate allowance has been made in respect of this matter

8 Ultimate parent company

At 31 December 2011 the Company's immediate parent company was ITV Studios Limited, a company registered in England and Wales and the Company's ultimate parent company was ITV plc, a company incorporated and registered in England and Wales

The largest and smallest group in which the results of the Company were consolidated was that headed by ITV plc The consolidated accounts of ITV plc are available to the public and may be obtained from www itvplc com or the Company Secretary, The London Television Centre, Upper Ground, SE1 9LT