

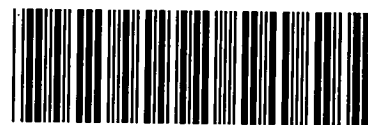
Registration number: 290076

Granada Group Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2013

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Granada Group Limited

Strategic Report for the Year Ended 31 December 2013

The directors of Granada Group Limited ("the Company") present their strategic report for the year ended 31 December 2013.

Fair review of the business

The results for the Company show a profit for the period of £541,000,000 (2012: loss £1,000,000). At the balance sheet date the Company had net assets of £2,095,000,000 (2012: £2,094,000,000).

Principal risks and uncertainties

Granada Limited is a holding company and is only large due to its group, therefore no further disclosure is required.

Approved by the Board on 10/01/2014 and signed on its behalf by:

.....*H. Tautz*.....
Helen Tautz
Director

Granada Group Limited
Directors' Report for the Year Ended 31 December 2013

Principal activity

The principal activity of Granada Group Limited ("the Company") continues to be to act as a holding company.

Directors of the company

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

Andrew Garard
Ian Ward Griffiths
Helen Tautz

Dividends

The directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 31 December 2013 (2012: £Nil). During the year a dividend payment was made of £540 million (2012: £Nil)

Going concern

In preparing the financial statements of Granada Group Limited, the directors have made an assessment of the next 12 months performance from signing, and consider preparation on a going concern basis to be appropriate (see note 1).

Disclosure of information to the auditor

Each director has taken 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 company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

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

Approved by the Board on ~~10/09/2014~~ and signed on its behalf by:

.....
Helen Tautz
Director

Granada Group Limited

Statement of Directors' Responsibilities

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

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

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 are generally responsible 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.

Granada Group Limited

Independent Auditor's Report

We have audited the financial statements of Granada Group Limited for the year ended 31 December 2013, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report Strategic Report and the 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.
- the directors were entitled to not prepare a strategic report, in accordance with the small companies regime



Mark Summerfield (Senior Statutory Auditor)

For and on behalf of KPMG Audit plc, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 16/9/14

Granada Group Limited
Profit and Loss Account for the Year Ended 31 December 2013

	Note	2013 £ m	2012 £ m
Income from shares in group undertakings		540	-
Other interest receivable and similar income	3	2	2
Interest payable and similar charges	4	<u>(1)</u>	<u>(1)</u>
Profit on ordinary activities before taxation		541	1
Tax on profit on ordinary activities	5	<u>-</u>	<u>(2)</u>
Profit/(loss) for the financial year		<u><u>541</u></u>	<u><u>(1)</u></u>


Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Granada Group Limited
(Registration number: 290076)
Balance Sheet as at 31 December 2013

	Note	2013 £ m	2012 £ m
Fixed assets			
Investments	6	2,081	2,081
Current assets			
Debtors	7	8	7
Cash at bank and in hand		<u>28</u>	<u>28</u>
		36	35
Creditors: Amounts falling due within one year	8	<u>(22)</u>	<u>(22)</u>
Net current assets		<u>14</u>	<u>13</u>
Net assets		<u>2,095</u>	<u>2,094</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		<u>2,095</u>	<u>2,094</u>
Shareholders' funds	10	<u>2,095</u>	<u>2,094</u>

Approved by the Board on ~~10/09/2014~~ and signed on its behalf by:



 Helen Tautz
 Director

Granada Group Limited

Notes

1 Accounting policies

Basis of preparation

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

Exemption from preparing a cash flow statement

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

Exemption from preparing group accounts

The company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 and has not prepared group accounts.

Going concern

The Company has considerable financial resources, and is expected to continue to generate positive cash flows on its own accord for the foreseeable future. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Taxation

The charge for taxation is based on the profit or loss 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.

Granada Group Limited Notes

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

No director received any remuneration for their services to the Company (2012: £nil)

There were no employees and hence no staff costs during the year (2012: £nil)

The auditor's remuneration of £500 (2012: £500) 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 Other interest receivable and similar income

	2013	2012
	£ m	£ m
Interest receivable on gilts	<u>2</u>	<u>2</u>

4 Interest payable and similar charges

	2013	2012
	£ m	£ m
Interest on loans from group undertakings	<u>1</u>	<u>1</u>

Granada Group Limited

Notes

5 Taxation

Tax on profit on ordinary activities

	2013 £ m	2012 £ m
Current tax		
Corporation tax charge	-	-
Adjustments in respect of previous years	-	2
UK Corporation tax	<u>-</u>	<u>2</u>

Factors affecting current tax charge for the year

The tax on profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK (2012 - lower than the standard rate of corporation tax in the UK) of 23.25% (2012 - 24.5%).

The differences are reconciled below:

	2013 £ m	2012 £ m
Profit on ordinary activities before tax	<u>541</u>	<u>1</u>
Corporation tax at standard rate	126	-
Non-taxable income	(126)	-
Adjustment for prior periods	-	2
Total current tax	<u>-</u>	<u>2</u>

Factors that may affect future tax charges

Reductions in the UK corporation tax rate to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

The deferred tax balance at 31 December 2013 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

Granada Group Limited Notes

6 Investments held as fixed assets

Shares in group undertakings and participating interests

	Subsidiary undertakings £ m	Total £ m
Cost		
At 1 January 2013	2,081	2,081
At 31 December 2013	2,081	2,081
Net book value		
At 31 December 2013	2,081	2,081
At 31 December 2012	2,081	2,081

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings				
Granada Media Limited	UK	ordinary	100%	Holding Company
ITV Pension Scheme Limited	UK	ordinary	100%	Trustee of ITV Group Pension Scheme
ITV Supplementary Pension Scheme Limited	UK	ordinary	100%	Dormant

7 Debtors

	2013 £ m	2012 £ m
Amounts owed by group undertakings	8	7

Granada Group Limited

Notes

8 Creditors: Amounts falling due within one year

	2013 £ m	2012 £ m
Amounts owed to group undertakings	20	20
Corporation tax	2	2
	<u>22</u>	<u>22</u>

9 Share capital

	2013 £	2012 £
Issued and fully paid Ordinary Shares 2,181,174,248 at £0.00000000045 each	1	1
Convertible Preference Shares 87,411,271 at £0.00000001144 each	1	1
	<u>2</u>	<u>2</u>

10 Reconciliation of movement in shareholders' funds

	2013 £ m	2012 £ m
Profit/(loss) attributable to the members of the company	541	(1)
Dividends	(540)	-
Net addition/(reduction) to shareholders funds	1	(1)
Shareholders' funds at 1 January	<u>2,094</u>	<u>2,095</u>
Shareholders' funds at 31 December	<u>2,095</u>	<u>2,094</u>

Granada Group Limited

Notes

11 Contingent liabilities

Under a group registration, the Company is jointly and severally liable for VAT at 31 December 2013. The amount guaranteed is £51,000,000 (2012 - £33,000,000).

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

12 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

13 Control

The company is controlled by Granada Limited. The ultimate controlling party is ITV plc. At 31 December 2013 the Company's immediate parent company was Granada Limited, a company registered in England and Wales and the Company's ultimate parent company was ITV plc, a company 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.