

Anglia Multimedia Limited

**Directors' report and financial
statements**

Registered Number 3063532

31 December 2004



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Company information

Directors

Graham Creelman
Helen Tautz
Henry Staunton
Graham Parrot

Joint Secretaries

Helen Tautz
Eleanor Irving

Registered office

Anglia House
Norwich
NR1 3JG

Auditors

KPMG Audit Plc
1 The Embankment
Neville Street
Leeds
LS1 4DW

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004. The comparatives are for the 15 month period ended 31 December 2003.

Principal activities

The Company did not trade during the current or prior period and no change is foreseen. The loss for the current period reflects the write down for impairment of fixed asset investments and the write off of irrecoverable intercompany balances.

Business review

The results for the year are shown in the Profit and Loss Account on page 8 of these financial statements.

Principal transactions and post balance sheet events

On 2 February 2004 the merger between Granada plc and Carlton Communications Plc became effective and ITV plc was listed on the London Stock Exchange.

Following the merger of Granada plc with Carlton Communications Plc in February 2004, Granada shareholders received one ITV plc ordinary 10 pence share for each Granada plc share held, and Carlton shareholders received 1.9386 ITV plc 10 pence ordinary shares and 0.1835 ITV plc 10 pence convertible shares for each Carlton Communications Plc share held.

Subsequent to the merger, the ITV plc group commenced an operational and legal restructuring programme with the objectives to deliver synergies from the merger, rationalise intercompany funding arrangements, streamline dividend flows through the group structure, maximise retained earnings at the parent company level and eliminate unnecessary companies. The initial stages of the restructuring programme are considered to have furthered the achievement of the objectives and the restructuring programme is expected to continue during 2005.

At an Extraordinary General Meeting of Granada plc held on 17 September 2004 the shareholders passed a special resolution approving the re-registration of Granada plc as a limited company. The re-registration was registered by the Company Registrar on 21 September 2004 and the company is now called Granada Limited.

At an Extraordinary General Meeting of Carlton Communications Plc held on 27 September 2004 the shareholders passed a special resolution approving the re-registration of Carlton Communications plc as a limited company. The re-registration was registered by the Company Registrar on 27 September 2004 and the company is now called Carlton Communications Limited.

On 10 December 2004, the Company received a cash capital contribution of £11,648,996 (*15 months ended 31 December 2003: £nil*) from its immediate parent undertaking.

On 10 December 2004, the Company made a capital contribution of £1,830,148 (*15 months ended 31 December 2003: £nil*) to its subsidiary undertaking, AngliaCampus Limited.

Director's report *(continued)*

Directors

The following were directors of the Company during the year ended 31 December 2004:

	Appointment Date	Resignation Date
Graham Creelman		
Graham Parrott		17 th August 2004
Henry Staunton		
Helen Tautz		
James Tibbitts	17 th August 2004	

No director had any interest in any contract with the Company except as disclosed in these financial statements.

Directors' interests and share options

The shareholdings of Henry Staunton in the share capital and interests in share options of ITV plc are disclosed in the accounts of ITV plc for the year ended 31 December 2004. The shareholdings of Helen Tautz and James Tibbitts in the share capital and interests in share options of ITV plc are disclosed in the accounts of Carltonco 120 Limited for the year ended 31 December 2004. A copy of the accounts of ITV plc and Carltonco 120 Limited can be obtained from the Company Secretary at the registered office address.

Shareholdings in the share capital of ITV plc beneficially owned by the other directors and their family interests are set out below.

	31 December 2004		31 December 2003		
	ITV plc Ordinary 10p shares	ITV plc Convertible 10p shares	Granada plc Ordinary 10p shares	Carlton Communications Plc Ordinary 5p shares	Carlton Communications Plc Convertible 5p shares
Graham Creelman	2,450	-	-	2,325	-

In addition to the above, directors of the Company held options and awards under the Granada, Granada Media and ITV share schemes, details of which are set out below. Performance conditions attached to the various Granada, Granada Media and ITV Schemes and Awards are disclosed in the report and accounts of ITV plc which is the highest company in the Group structure that has prepared audited consolidated accounts for the year to 31 December 2004.

Post Merger Adjustment of Options and Awards

Granada Options

Following the merger of Granada plc with Carlton Communications Plc, ordinary shares in Granada were converted on a one-for-one basis into ordinary shares in ITV plc.

As part of the merger Granada shareholders on the register of members on 28 January 2004 received Granada Redeemable Shares. In order to maintain the value of the options a ratio adjustment of 1.04 was agreed with the Inland Revenue using the share price of Granada on the date before the Granada shares became ex-bonus issue and the share price on the first dealing day after the shares became ex-bonus issue. For every one Granada ordinary share under option the option holder received 1.04 Granada ordinary shares. To ensure that the aggregate amount payable on the exercise of options under the Granada schemes remained the same the exercise price per share was also adjusted by dividing the original exercise price by 1.04.

All rights under the various Granada share option schemes, other than those granted after 1 December 2002, became exercisable as a result of the merger up to 1 August 2004. Any Granada ordinary shares acquired on exercise were converted immediately on exercise into ordinary shares of ITV plc and all outstanding Granada options unexercised at 1 August 2004 were exchanged into options over ITV plc ordinary shares on a one-for-one basis.

Director's report *(continued)*

The performance conditions for options granted prior to 1 January 2003 fell away on merger. There were no performance conditions applicable to options granted under the Granada and Granada Media SAYE scheme.

All options shown in this Directors' Report are shown in ITV plc share equivalents.

Granada Schemes

	As at 1 Jan 2004	No. granted in the year	No. exercised/ vested the year	No. lapsed in the year	As at 31 Dec 2004	Exercise Price (p)	Date of Exercise/ Vesting	Market price at date of exercise (p)	Exercise Period
<i>Approved and Unapproved Executive Share Option Schemes</i>									
Graham Creelman	20,800	-	-	-	20,800	137.02	-	-	Jul 2004 to Jul 2011
Graham Creelman	1,040	-	-	-	1,040	143.27	-	-	Jan 2005 to Jan 2012
Graham Creelman	11,440	-	-	-	11,440	106.25	-	-	Jul 2005 to Jul 2012
Graham Creelman	10,400	-	-	-	10,400	76.92	-	-	Jan 2006 to Jan 2013
Graham Creelman	20,800	-	-	-	20,800	117.07	-	-	Dec 2006 to Dec 2013
<i>Savings Related Share Option Schemes</i>									
Graham Creelman	25,120	-	-	-	25,120	65.38	-	-	Mar 2008 to Aug 2008

Granada Media Schemes

	As at 1 Jan 2004	No. granted in the year	No. exercised/ vested in the year	No. lapsed in the year	As at 31 Dec 2004	Exercise Price (p)	Market price at date of exercise (p)	Exercise Period
<i>Approved and Unapproved Executive Share Option Schemes</i>								
Graham Creelman	159,098	-	-	-	159,098	217.78		Dec 2003 to Dec 2010

ITV Schemes

	As at 1 Jan 2004	No. granted in the year	Date of Grant	No. exercised/ vested in the year	No. lapsed in the year	As at 31 Dec 2004	Exercise Price (p)	Exercise Period
<i>Performance Share Plan</i>								
Graham Creelman	-	11,439	-	-	-	11,439	-	Sept 2007 to Sept 2008

Share Price Information

The market price of ITV plc ordinary 10p shares at 31 December 2004 was 105.25p and the range from 2 February 2004 to 31 December 2004 was 94.5 pence to 148 pence. The market price of convertible shares at 31 December 2004 was 39.5 pence and the range from 2 February 2004 to 31 December 2004 was 31 pence to 83 pence.

Donations

Grants and charitable donations made during the year amounted to £nil (15 months to 31 December 2003: £nil). There were no political contributions (15 months to 31 December 2003: £nil).

Director's report *(continued)*

Auditors

The Company has passed Elective Resolutions to dispense with the laying of the Annual Report and Financial Statements before the Company in General Meeting, the appointment of auditors annually and the holding of Annual General Meetings, pursuant to Sections 252, 386 and 366A respectively of the Companies Act 1985.

By order of the Board


Company Secretary

Anglia House
Norwich
NR1 3JG

19 October 2005

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.



KPMG Audit Plc

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Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors' report to the members of Anglia Multimedia Limited

We have audited the financial statements on pages 8 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors are responsible for preparing the directors' report and, as described on page 6, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

19 October 2005

Profit and loss account
for the 12 months ended 31 December 2004

		Year ended 31 December 2004 £000	15 months ended 31 December 2003 £000
	<i>Note</i>		
Administration expenses – write off of intercompany balances		(2,985)	-
Write off of fixed asset investments	2	(1,830)	-
Loss for the financial period		(4,815)	-

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 current or prior period 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

Balance sheet
as at 31 December 2004

	<i>Note</i>	31 December 2004 £000	31 December 2003 £000
Current assets			
Debtors	3	-	3,849
Creditors: amounts falling due within one year	4	-	(1,855)
Net current assets		-	1,994
Creditors: amounts falling due after more than one year	5	-	(8,828)
Net liabilities		-	(6,834)
Capital and reserves			
Called up share capital	6	-	-
Capital contribution reserve		11,649	-
Profit and loss account		(11,649)	(6,834)
Equity shareholders' deficit	7	-	(6,834)

These financial statements were approved by the board of directors on *19 October 2005* 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.

Related party transactions

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. The consolidated financial statements of ITV plc, within which this company is included, can be obtained from the address given in note 8.

Taxation

The charge for taxation is based on the 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 and computed without discounting. Full provision is made in respect of all timing differences between the treatment of certain items in the financial statements and their treatment for taxation purposes at the balance sheet date. Deferred tax assets are recognised to the extent that it is more likely than not that the asset will be recovered

Cash flow statement

The cashflows of the company are included in the consolidated group cashflow statement of ITV plc. Consequently the company is exempt under the terms of Financial Reporting Standard 1 (revised 1996) from publishing a cashflow statement.

2 Fixed asset investments

On 10 December 2004, the Company made a cash capital contribution of £1,830,148 to its subsidiary undertaking AngliaCampus Limited. These amounts have been subsequently written off to £nil on the grounds that the investments are not expected to be recovered.

3 Debtors

	31 December 2004 £000	31 December 2003 £000
Amounts owed by group undertakings	-	3,849

4 Creditors: amounts falling due within one year

	31 December 2004 £000	31 December 2003 £000
Amounts owed to group undertakings	-	1,855

Notes (continued)

5 Creditors: amounts falling due after more than one year

	31 December 2004 £000	31 December 2003 £000
Amounts owed to group undertakings	-	8,828

6 Share capital

	31 December 2004 £	31 December 2003 £
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2

7 Reconciliation of equity shareholders' deficit

	Year ended 31 December 2004 £000	15 months ended 31 December 2003 £000
Loss for the financial period	(4,815)	-
Capital contribution received	11,649	-
Net addition to equity shareholders' deficit	6,834	-
Opening equity shareholders' deficit	(6,834)	(6,834)
Closing equity shareholders' deficit	-	(6,834)

8 Contingent liabilities

Under a group registration the company is jointly and severally liable for VAT at 31 December 2004 of £49 million (31 December 2003: £18 million).

The company and certain other groups companies have entered into an arrangement for a joint bank account with Barclays Bank PLC and are jointly and severally liable in respect of any overdraft arising on the group joint bank account. At 31 December 2004 this contingent liability amounted to £5 million (31 December 2003: £4 million).

9 Ultimate parent company

The company is a subsidiary undertaking of United Media Holdings Limited, which is incorporated and 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 the Company Secretary, The London Television Centre, Upper Ground, London, SE1 9LT.