Registration number: 00250311

Granada UK Rental and Retail Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

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Granada UK Rental and Retail Limited

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Granada UK Rental and Retail Limited

Director's Report for the Year Ended 31 December 2020

The Director presents her report and the financial statements for the year ended 31 December 2020.

Principal activity
The principal activity of the Company continues to act as a holding company.

Directors of the Company
The director, who held office during the year, was as follows:

E Irving

Director's liabilities
The Director benefits from third party insurance provisions in place during the financial year and at the date of this report.

Dividends
The Director recommends a final dividend payment of £Nil be made in respect of the financial year ended 31 December 2020 (2019: £Nil).

Fair review of the business
The results for the Company show a profit for the year of £4,048,000 (2019: loss of £10,748,000). At the balance sheet date the Company had net assets of £132,455,000 (2019: £128,407,000).

Going concern
The Director has a reasonable expectation that the Company has adequate resources to continue in operation for at least twelve months from the date of this report. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements (see note 1).

Subsequent events
The uncertainty as to the future impact on the financial performance as a result of the COVID-19 pandemic has been considered as part of the Company's adoption of the going concern basis which is detailed in note 1.

Announcement of change in UK corporation tax rate
On 3 March 2021, the UK Government announced a change in the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The rate change has not yet been enacted into law and therefore is not reflected in the deferred tax assets or liabilities as at 31 December 2020. The impact on deferred tax assets and liabilities is not expected to be material.

Disclosure of information to the auditor
The Director who held office at the date of approval of this Director's' report confirm that, so far as she is aware, there is no relevant audit information of which the Company's auditor is unaware; and the Director has taken all the steps she ought to have taken as a Director to make herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Reappointment of auditor

The external auditor for the 2020 financial year was KPMG LLP. In 2019 the Audit and Risk Committee undertook an external audit tender and PricewaterhouseCoopers LLP was proposed as the external auditor, with its appointment to take effect from, and including, the 2021 financial year. Accordingly, a resolution to appoint PricewaterhouseCoopers LLP as external auditor to the Company from 2021 will be proposed at the forthcoming AGM.

Small companies' provision statement

This report has been prepared in accordance with the provisions available to companies entitled to the small companies exemption.

Approved and signed by the Director on 31 March 2021

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E Irving
Director

Registered office
2 Waterhouse Square
140 Holborn
London
EC1N 2AE

Granada UK Rental and Retail Limited

Statement of Director's Responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law she has elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the director must not approve the financial statements unless she is 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 director is 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is responsible for such internal control as she determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 UK Rental and Retail Limited

Opinion
We have audited the financial statements of Granada UK Rental and Retail Limited ("the company") for the year ended 31/12/2020 which comprise the Income Statement, Statement of Financial Position & Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The director has prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. She has also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the director's conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

• we consider that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

• we have not identified, and concur with the director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the ITV plc's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

Independent Auditor's Report To The Members Of Granada UK Rental and Retail Limited

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Director's report

The director is responsible for the director's report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the director's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

• we have not identified material misstatements in the Director's report;

• in our opinion the information given in the Director's report for the financial year is consistent with the financial statements; and

• in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report To The Members Of Granada UK Rental and Retail Limited

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Director's responsibilities
As explained more fully in the statement set out on page 3, the director is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as she determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 she either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities
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.

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Paul Sawdon (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 31 March 2021

Granada UK Rental and Retail Limited

Income Statement for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Exceptional items	3	-	(17,991)
Operating loss		-	(17,991)
Finance income	4	3,428	4,185
Profit/(loss) before tax		3,428	(13,806)
Taxation	8	620	3,058
Profit/(loss) for the year		4,048	(10,748)

The above results were derived from continuing operations.

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

Granada UK Rental and Retail Limited

(Registration number: 00250311)
Statement of Financial Position as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Non-current assets			
Deferred tax assets	9	5,890	5,270
Investments	10	-	-
Trade and other receivables	11	99,656	96,849
		105,546	102,119
Current assets			
Trade and other receivables	11	57,955	57,844
Current liabilities			
Trade and other payables	12	-	(510)
Provisions	13	(31,000)	(31,000)
		(31,000)	(31,510)
Net current assets		26,955	26,334
Non-current liabilities			
Loans and borrowings	14	(46)	(46)
Net assets		132,455	128,407
Equity			
Share capital	15	114,192	114,192
Retained earnings		18,263	14,215
		132,455	128,407

Approved by the director on 31 March 2021

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E Irving
Director

The notes on pages 10 to 21 form an integral part of these financial statements.

Granada UK Rental and Retail Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020	114,192	14,215	128,407
Profit for the year	-	4,048	4,048
At 31 December 2020	114,192	18,263	132,455

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	114,192	24,963	139,155
Loss for the year	-	(10,748)	(10,748)
At 31 December 2019	114,192	14,215	128,407

The notes on pages 10 to 21 form an integral part of these financial statements.

1 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
Granada UK Rental and Retail Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 00250311 and the registered address is 2 Waterhouse Square, 140 Holborn, London, EC1N 2AE.

The Company is a qualifying entity as it is a member of the ITV plc Group where ITV plc, the ultimate parent prepares publicly available consolidated financial statements. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') as adopted by the EU. The amendments to FRS 101 (2015/16 cycle) issued in July 2016, amendments to FRS 101 (2016/17 cycle) issued in July 2017, amendments to FRS 101 (2019/20 cycle) issued in May 2020 and other amendments have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

Measurement convention
The financial statements are prepared on the historical cost basis.

Summary of disclosure exemptions
The Company is taking advantage of the following disclosure exemptions under FRS 101:

• A Cash Flow Statement and related notes;
• Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
• Disclosures in respect of transactions with wholly owned subsidiaries;
• Disclosures in respect of capital management;
• The effects of new but not yet effective IFRSs;
• Disclosures in respect of the compensation of Key Management Personnel;
• Disclosures of transactions with a management entity that provides key management personnel services to the Company;
• Disclosures in respect of goodwill or intangibles with an indefinite life; and
• Disclosures in respect of revenue being the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with customers.

1 Accounting policies (continued)

As the consolidated financial statements of ITV plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

• IFRS 2 Share Based Payments in respect of group settled share based payments;
• Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
• Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations; and
• Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to apply the reduced disclosure framework of FRS 101 in its next financial statements.

Changes in accounting policy

New standards, interpretations and amendments effective
The following have been applied for the first time from 1 January 2020.

Other new or amended accounting standards

Amendments to IFRS 9, IAS 39 and IFRS 7
Interest Rate Benchmark Reform has been adopted from 1 January. This has been applied retrospectively to hedging relationships that existed at 1 January or were designated thereafter and that are directly affected by interest rate benchmark reform. These amendments also apply to any gain or loss accumulated in the cash flow hedging reserve that existed at 1 January.

Amendments to IFRS 16
Leases Covid-19 Related Rent Concessions has been early adopted. The amendment introduces an optional practical expedient for leases in which the Company is a lessee. For leases to which the Company applies the practical expedient, the Company is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The Company has applied the amendment retrospectively.

Amendments to References to the Conceptual Framework in IFRS Standards.
No effects have been noted

Amendments to IAS 1 and IAS 8
No effects have been noted

None of the other standards, interpretations and amendments effective for the first time from 1 January 2020 have had a material effect on the financial statements.

1 Accounting policies (continued)

Exemption from preparing group accounts
The financial statements contain information about Granada UK Rental & Retail Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, ITV plc, a company incorporated in the United Kingdom.

Going concern
The financial statements have been prepared on a going concern basis, which the Directors believe to be appropriate for the following reasons.

The Directors have prepared a going concern assessment covering a period of 12 months from the date of approval of these accounts which indicates that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period through the group's cash pool arrangement.

The Company participates in the ITV plc intra-group cash pool arrangement. The pool applies to bank accounts where there is an unconditional right of set off and involves the daily closing cash position for participating subsidiaries whether positive or negative, being cleared to £Nil via daily bank transfers to / from ITV plc. Accordingly, whilst the company does not have a cash balance, liabilities falling due are settled through this cash pool arrangement; this would include any liabilities arising from the provision detailed in note 13.

On this basis, and on their assessment of the Company's financial position, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the approval of these financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

Amounts due (to) / from group undertakings
The Company participates in an intra-group cash pool policy with other 100% owned UK subsidiaries of the ITV Group. The pool applies to bank accounts where there is an unconditional right of set off and involves the daily closing cash position for participating subsidiaries whether positive or negative, being cleared to £nil via daily bank transfers to/from ITV plc. These daily transactions create a corresponding intercompany creditor or debtor which can result in significant movements in amounts owed to and from subsidiary undertakings in the Company statement of financial position.

Finance income and costs policy
Finance income and costs comprise interest income on funds invested, gains / losses on the disposal of financial instruments, changes in the fair value of financial instruments, interest expense on borrowings, unwinding of the discount on provisions, unwinding of the discount on liabilities to non-controlling interest, foreign exchange gain/losses, and imputed interest on pension assets and liabilities. Interest income and expense is recognised as it accrues in profit or loss, using the effective interest method.

Investments
The Company's balance sheet includes investments at cost less amounts written off in respect of any impairment.

1 Accounting policies (continued)

Tax

The tax charge for the period is recognised in the income statement, the statement of comprehensive income and directly in equity, according to the accounting treatment of the related transaction. The tax charge comprises both current and deferred tax. The calculation of the Company's tax charge involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be fully determined until a resolution has been reached by the relevant tax authority

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment in respect of previous years.

The Company recognises liabilities for anticipated tax issues based on estimates of the additional taxes that are likely to become due, which require judgement. Amounts are accrued based on management's interpretation of specific tax law and the likelihood of settlement. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

Deferred tax arises due to certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes. The following temporary differences are not provided for:

• the initial recognition of goodwill;
• the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
• differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred tax is calculated using tax rates that are enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference. Recognition of deferred tax assets, therefore, involves judgement regarding the timing and level of future taxable income

Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation arising from past events, it is probable cash will be paid to settle it and the amount can be estimated reliably. Provisions are determined by discounting the expected future cash flows by a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a financing cost in the income statement. The value of the provision is determined based on assumptions and estimates in relation to the amount and timing of actual cash flows which are dependent on future events.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is neutral, the initial measurement is on a present value basis.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to exercise judgement in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

The area involving material judgement or complexity is the Provisions related to Box Clever (note 13).

In determining the estimate for the Box Clever provision, Management has provided for the initial offer made to the Pensions Regulator (tPR), which is the Directors' and Management's current best estimate (see note 13).

3 Exceptional items

	Ref	2020 £ 000	2019 £ 000
Charge / (credit)			
Legal and other costs	**Note 13**	-	17,991
Total operating exceptional items		**-**	**17,991**

Included in Legal and other costs is an estimate of the settlement in relation to the Box Clever case. See note 13 for more details.

4 Finance income

	2020 £ 000	2019 £ 000
Interest receivable from group undertakings	3,428	4,185

5 Staff costs

There were no employees in the year and hence no staff costs (2019: £nil).

6 Director remuneration

The Directors were remunerated by other ITV plc Group companies. The Directors received no remuneration in respect of their qualifying services to the Company (2019: £nil).

7 Auditor's remuneration

The auditor's remuneration of £1,786 (2019: £1,786) 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.

8 Taxation

Tax charged/(credited) in the income statement

	2020 £ 000	2019 £ 000
Current taxation		
UK corporation tax	-	-
Total current income tax	-	-
Deferred taxation		
Arising from changes in tax rates and laws	(620)	(3,058)
Tax expense/(receipt) in the income statement	(620)	(3,058)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 : higher) of 19% (2019 : 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit/(loss) before tax	3,428	(13,806)
Corporation tax at standard rate of 19% (2019: 19%)	651	(2,623)
Group relief claimed	(790)	(934)
Deferred tax expense (credit) from unrecognised temporary difference	139	138
Deferred tax expense (credit) relating to changes in tax rates or laws	(620)	361
Total tax credit	(620)	(3,058)

Factors impacting future tax charges

An increase in the rate of corporation tax rate from 19% to 25% (effective 1 April 2023) was announced on 3 March 2021. This will increase the company's future current tax charge accordingly and have minimal impact on deferred tax.

9 Deferred tax

Deferred tax

Deferred tax assets and liabilities

2020	Asset £ 000
Provisions	5,890

2019	Asset £ 000
Provisions	5,270

Deferred tax movement during the year:

	At 1 January 2020 £ 000	Recognised in income £ 000	At 31 December 2020 £ 000
Provisions	5,270	620	5,890

Deferred tax movement during the prior year:

	At 1 January 2019 £ 000	Recognised in income £ 000	At 31 December 2019 £ 000
Provisions	2,212	3,058	5,270

10 Investments

Subsidiaries	**£ 000**
Cost or valuation	
At 1 January 2020 and 31 December 2020	23,951
Provision	
At 1 January 2020 and 31 December 2020	23,951
Carrying amount	
At 1 January 2020 and 31 December 2020	-

Details of all subsidiaries, joint ventures and associates of the Company as at 31 December 2020 are disclosed in note 20

11 Trade and other receivables

Non-current assets

	2020 £ 000	**2019 £ 000**
Amounts due from group undertakings	99,656	96,849

Current assets

	2020 £ 000	**2019 £ 000**
Amounts due from group undertakings	57,955	57,844

Included in amounts due from group undertakings of £157,611,000 (2019: £154,693,000) is an amount of £nil (2019: £229,000) which represents inter-company recharges, has no associated interest and is repayable on demand. £57,955,000 (2019: £57,615,000) which relates to balances associated with ITV plc group treasury pooling arrangements which attract interest of 0.5% above base rate per annum (2019: 0.5% above base rate per annum) and are repayable on demand; and £99,656,000 (2019: £96,849,000) which relate to loans to fellow subsidiaries. The classification of balances due after more than one year is based on the intention of when the balances are expected to be settled rather than the contractual terms and attracts interest varying between 2.5% and 3% above the base rate per annum.

The carrying value of trade receivables is considered to approximate fair value.

12 Trade and other payables

	2020 £ 000	2019 £ 000
Amounts due to group undertakings	-	510

Amounts due to group undertakings of £nil (2019: £510,000) represents intercompany trading, has no associated interest and is repayable on demand.

The carrying value of trade payables is considered to approximate fair value.

13 Provisions

	2020 £ 000	2019 £ 000
Legal and other provisions	31,000	31,000

The Box Clever Pension Scheme ('the Scheme') was managed from its establishment by an independent trustee and the ITV plc Group has not had any commercial connection with the Box Clever business since it went into administrative receivership in 2003. After court proceedings in the Upper Tribunal and Court of Appeal were dismissed, certain companies within ITV were issued with FSDs by tPR on 17 March 2020. An FSD does not set out what form any financial support should take, nor its amount, and those issues have not yet been resolved as part of the legal process.

The legislation provides that any contribution that ITV may make must be considered reasonable and have regard to the Group's financial circumstances. If an agreement is reached with tPR there may not be an immediate cash flow impact. If an agreement cannot be reached then settlement may be protracted and subject to further legal proceedings over several years.

At 2003, the Scheme was estimated to have had a deficit on a buyout basis of £25 million. The most recent estimate of the deficit in the Box Clever Group Pension Scheme is £110 million as at 30 April 2020 and remains management's best estimate of the required provision. This estimate was calculated on a buyout basis, using membership data and benefits currently being provided in that Scheme, and based on membership data as of February 2020. Both of these valuations were of the whole Scheme, encompassing liabilities in respect of former employees of Granada's joint venture partner, Thorn, as well as former employees of the ITV plc Group. Given the significant number of undecided issues as to the quantum and form of financial support, the Group will strongly contest any attempt to impose liability in an amount the Directors of the Company and the ITV plc Group consider unreasonable.

The Directors of the Company and the ITV plc Group continue to believe there are many important factors which need to be taken into account in any decision and therefore there remains a great deal of uncertainty around the quantum and form of financial support to be provided. The provision of £31 million is based on our proposal issued to the regulator on 31 July 2020 and represents the IAS 19 valuation, using market conditions at 30 April 2020. That proposal has not been accepted but it is expected that the Company and tPR will have discussions to try to resolve the matter on a consensual basis.

14 Borrowings

	2020 £ 000	2019 £ 000
Non-current loans and borrowings		
45,600 4.2% Cumulative preference shares of £1 each	46	46

15 Share capital

Allotted, called up and fully paid	2020		2019	
	No	£ 000	No	£ 000
Ordinary shares at £0.2 each	570,962,960	114,192	570,962,960	114,192
4.2% Cumulative Preference Shares of £1 each	45,600	46	45,600	46
Less presented as payables	(45,600)	(46)	(45,600)	(46)
	570,962,960	114,192	570,962,960	114,192

The Cumulative Preference Shares are presented as non-current loans and borrowings in note 14, in accordance with FRS 101, and carrying the right, in a winding up, to the repayment of capital and arrears of dividend due at the commencement of winding up in preference to all other shares, but shall not confer any further right to participate in profits or assets. The Cumulative Preference Shares carry voting rights only if the preferential dividend is 6 months or more in arrears or resolution is proposed affecting the rights or privileges of the preferential shareholders. The Cumulative Preference Shares are non-redeemable.

The holders of the Cumulative Preference Shares have waived their rights to all dividends from 12 June 2008.

16 Contingent liabilities

Under a Group registration the Company is jointly and severally liable for VAT at 31 December 2020 of £53 million (2019: £40 million).

17 Subsequent events

Non adjusting events after the reporting period

The uncertainty as to the future impact on the financial performance as a result of the COVID-19 pandemic has been considered as part of the Company's adoption of the going concern basis which is detailed in note 1.

Announcement of change in UK corporation tax rate
On 3 March 2021, the UK Government announced a change in the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The rate change has not yet been enacted into law and therefore is not reflected in the deferred tax assets or liabilities as at 31 December 2020. The impact on deferred tax assets and liabilities is not expected to be material.

18 Parent of group in whose consolidated financial statements the Company is consolidated

The name of the parent of the group in whose consolidated financial statements the Company's financial statements are consolidated is ITV plc.

These financial statements are available upon request from 2 Waterhouse Square, 140 Holborn, London, EC1N 2AE.

19 Parent and ultimate parent undertaking

The Company's immediate parent is Granada Media Limited.

The ultimate parent is ITV plc. ITV plc is incorporated in the UK.

The most senior parent entity producing publicly available financial statements is ITV plc. These financial statements are available upon request from 2 Waterhouse Square, 140 Holborn, London, EC1N 2AE.

The ultimate controlling party is ITV plc.

20 Investments

All entities are direct holdings unless otherwise stated.

Details of the subsidiaries as at 31 December 2020 are as follows:

Please note that these are the subsidiary undertakings of Granada UK Rental and Retail Limited at 31 December 2020, all of which are wholly owned (directly or indirectly) and incorporated and registered where stated.

The registered office of the below subsidiaries is 2 Waterhouse Square, 140 Holborn, London, EC1N 2AE unless otherwise stated.

Name of subsidiary	**Country of incorporation and principal place of business**	**Proportion of ownership interest and voting rights held 2020**
GIL Limited	UK	100%
Granada AV Solutions Limited	UK	100%

20 Investments (continued)

Joint ventures
Details of the joint ventures as at 31 December 2020 are as follows:

Name of Joint-ventures	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held 2020
Box Clever Technology Limited *	UK	50%

* - joint venture indirect holding