

Wall To Wall Television Limited

DIRECTORS' REPORT AND ACCOUNTS

Period ended 31 December 2007



Company Registration Number 2087671

Wall To Wall Television Limited

COMPANY INFORMATION

DIRECTORS

A Graham
E Gallagher
J Kemp

SECRETARY

H Ely

COMPANY NUMBER

2087671

REGISTERED OFFICE

27/28 Eastcastle Street,
London, W1W 8DH

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Wall To Wall Television Limited

DIRECTORS' REPORT

The directors present their report and the financial statements of Wall To Wall Television Limited for the 6 month period ended 31 December 2007

PRINCIPAL ACTIVITIES

The principal activity of the company is the exploitation of television programmes and their associated rights

BUSINESS REVIEW

During the six months to December 2007, the company's parent Wall to Wall (Holdings) Ltd, and as a consequence the company, were sold to Shed Media plc. The company has therefore shortened its accounting period to bring its accounting reference date into line with that of Shed Media plc.

Distribution and ancillary sales activity continued with 26 different titles contributing to revenue from sources including book publishing, international format rights, finished programme sales, DVD rights, video on demand rights and numerous others.

The company continued to expand its sales portfolio, adding new titles to the sales catalogue. However, the sale to Shed Media will have a profound impact on the operations of the company going forward with distribution activity transferring to Outright Distribution Ltd, another member of the group. Sales activity undertaken within Wall to Wall will reduce and the operation is likely to contract, reflecting the scale advantages of siting the activity within Outright Distribution. In addition, during the six months to 31 December 2007, the company agreed to adjust the nature of its relationship with Wall to Wall Media Ltd, for whom it had been undertaking distribution activity. This led to the transfer of elements of intellectual property income being recognized in Wall to Wall Media Ltd instead of the company. As such the gross profit margin fell to 26% (2007: 78%). The profit before tax went from £273,418 in the year to June 2007 to £15,907 in the six months to 31 December 2007.

FUTURE OUTLOOK

In future periods the company will be aiming to continue to exploit those titles it retains outside the relationship with Outright Distribution and undertake some ancillary activity such as book and DVD publishing, associated with certain titles.

PRINCIPAL RISKS

The directors of Shed Media plc manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance and position of Wall to Wall Television Limited's business. The principal risks and uncertainties of Shed Media plc, which include those of the company, are discussed on page 14 of the group's annual report, which does not form part of this report.

KEY PERFORMANCE INDICATORS

The directors of Shed Media plc manage the group's operations at a group level, rather than at an individual business unit level. For this reason, the directors believe that an analysis of the key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance and position of the business of Wall to Wall Television Limited's business. The development, performance and position of Shed Media plc, which include those of the company, are discussed on page 14 of the group's annual report, which does not form part of this report.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £14,138 (year ended 30 June 2007: £178,903). The directors have not recommended a dividend (2007: £Nil).

Wall To Wall Television Limited

DIRECTORS' REPORT

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses various financial instruments which include cash, trade debtors, trade creditors and amounts due to group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are currency risk, credit risk and liquidity risk.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company's policy throughout the year has been to achieve this objective through regular cashflow forecasting and review.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises, therefore, from trade debtors.

Despite debtors being major international broadcast organisations, debtors are reviewed by the financial controller, financial director and the board on a regular basis through a monthly assessment of the funding due on outstanding sales and in conjunction with debt ageing and collection history.

Currency risk

The company's key financial risk is in foreign currency exposure, in terms of income received from overseas buyers of intellectual property. The uncertain nature of the timing of receipts (due to their tendency to be tied to flexible milestones) makes it risky to take out explicit hedging contracts against these risks. The company sells in sterling wherever possible but otherwise has to accept a level of risk against receipts.

DIRECTORS

The directors who served the company during the period were as follows:

A Graham	
JMC Hewes	Resigned 29 November 2007
J Kemp	Appointed 29 November 2007
E Gallagher	Appointed 29 November 2007

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

Wall To Wall Television Limited

DIRECTORS' REPORT

During the period Grant Thornton resigned as auditors and Baker Tilly UK Audit LLP were appointed in their place. A resolution to re-appoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a long horizontal line.

Director

26 JUNE

2008

Wall To Wall Television Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF WALL TO WALL TELEVISION LIMITED

We have audited the financial statements of Wall To Wall Television Limited on pages 7 to 16

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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 5 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2007 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

Baker Tilly UK Audit LLP
BAKER TILLY UK AUDIT LLP
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

26 June 2008

Wall To Wall Television Limited
PROFIT AND LOSS ACCOUNT
For the period ended 31 December 2007

	Notes	6 months ended 31 December 2007 £	Year ended 30 June 2007 £
TURNOVER	1	819,404	2,076,413
Cost of sales		(606,774)	(446,776)
GROSS PROFIT		<u>212,630</u>	<u>1,629,637</u>
Other operating charges	2	(196,723)	(1,356,219)
OPERATING PROFIT	3	<u>15,907</u>	<u>273,418</u>
Interest payable and similar charges	4	-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>15,907</u>	<u>273,418</u>
Tax (charge) on profit on ordinary activities	5	(1,769)	(94,515)
PROFIT FOR THE FINANCIAL PERIOD/YEAR		<u><u>14,138</u></u>	<u><u>178,903</u></u>

The operating profit for the period/year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

Wall To Wall Television Limited
BALANCE SHEET
As at 31 December 2007

	Notes	31 December 2007 £	30 June 2007 £
FIXED ASSETS			
Tangible assets	6	86,014	142,641
Investments	7	102	102
		<u>86,116</u>	<u>142,743</u>
CURRENT ASSETS			
Debtors	8	4,710,084	5,072,346
Cash at bank		21,386	212,981
		<u>4,731,470</u>	<u>5,285,327</u>
CREDITORS Amounts falling due within one year	10	3,767,924	4 392,546
NET CURRENT ASSETS		<u>963,546</u>	<u>892,781</u>
NET ASSETS		<u>1,049,662</u>	<u>1,035,524</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	100	100
Profit and loss account	13	1,049,562	1,035,424
EQUITY SHAREHOLDERS' FUNDS	14	<u>1,049,662</u>	<u>1,035,524</u>

The financial statements were approved by the Board and authorised for issue on 26 JUNE 2008



Wall To Wall Television Limited

ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by Section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Shed Media plc, a company incorporated in England and Wales and is included in the consolidated accounts of that company

CASH FLOW STATEMENT

The company is exempt under the terms of 'FRS1 (Revised 1996) Cash Flow Statements' from the requirement to publish its own cash flow statement, as its cash flows are included within the consolidated cash flow statement of the Group

TURNOVER

Turnover arises from the distribution or other exploitation by the company of programmes produced by third parties or by the company, or from distribution by third parties of programmes produced by the company. Turnover is recognised when receivable

For programmes distributed by the company, the directors consider turnover to be receivable when the following conditions have been met

- Contractual terms have been agreed
- The contract sum has been invoiced
- The programme is complete and delivered or available for delivery

For programmes distributed by third parties, the Directors consider that turnover is receivable when the group has been notified of sums due to it

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	-	20%
Fixtures & Fittings	-	15%
Equipment	-	15%

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Wall To Wall Television Limited

ACCOUNTING POLICIES

FOREIGN CURRENCIES

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Wall To Wall Television Limited
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2007

1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover by location is given below.

	6 months ended 31 December 2007 £	Year ended 30 June 2007 £
United Kingdom	515,344	1,197,794
Rest of World	304,060	878,619
	<u>819,404</u>	<u>2,076,413</u>

2 OTHER OPERATING CHARGES

	6 months ended 31 December 2007 £	Year ended 30 June 2007 £
Administrative expenses	196,723	1,356,219

3 OPERATING PROFIT

	6 months ended 31 December 2007 £	Year ended 30 June 2007 £
Operating profit is stated after charging		
Depreciation of fixed assets	56,627	120,882
Net (gain)/loss on foreign currency translation	(7,722)	9,930

Auditor's remuneration for the current period and prior year was borne by the company's parent, Wall to Wall (Holdings) Limited. All staff costs are borne by another group company.

4 INTEREST PAYABLE AND SIMILAR CHARGES

	6 months ended 31 December 2007 £	Year ended 30 June 2007 £
Finance charges	-	92
Other interest and similar charges	-	(92)
	<u>-</u>	<u>-</u>

Wall To Wall Television Limited
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2007

5 TAXATION ON ORDINARY ACTIVITIES

	6 months ended 31 December 2007 £	Year ended 30 June 2007 £
(a) Analysis of (credit)/charge in the period/year		
Current tax		
UK corporation tax	-	70,458
Adjustment in respect of pension funds	(6,573)	-
Foreign tax	16,753	33,535
Total current tax	<u>10,180</u>	<u>103,993</u>
Deferred tax		
Origination and reversal of timing differences (note 9)	(9,043)	(9,478)
Effect of decreased tax rate on opening asset	632	-
Tax on profit on ordinary activities	<u>1,769</u>	<u>94,515</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (June 2007 30%)

	6 months ended 31 December 2007 £	Year ended 30 June 2007 £
Profit on ordinary activities before taxation	<u>15,907</u>	<u>273,418</u>
Profit on ordinary activities multiplied by rate of tax	4,772	82,025
Expenses not deductible for tax purposes	368	(30)
Depreciation for period in excess of capital allowances	11,594	21,998
Higher rate tax on overseas earnings	19	-
Adjustment re previous periods	(6,573)	-
Total current tax	<u>10,180</u>	<u>103,993</u>

Wall To Wall Television Limited
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2007

6	TANGIBLE FIXED ASSETS	Leasehold property £	Fixtures and fittings £	Equipment £	Total £
	Cost				
	At 30 June and 31 December 2007	31,570	20,950	790,639	843,159
	Depreciation				
	At 30 June 2007	6,350	13,150	681,018	700,518
	Charge for the period	-	3,142	53,485	56,627
	At 31 December 2007	6,350	16,292	734,503	757,145
	Net book value at 31 December 2007	25,220	4,658	56,136	86,014
	Net book value at 30 June 2007	25,220	7,800	109,621	142,641

7	INVESTMENTS	
	Investments in subsidiaries	£
	Cost	
	At 30 June and 31 December 2007	102
	Net book value	
	31 December 2007	102
	30 June 2007	102

At 31 December 2007 the Company held 100% of the equity of the following companies

Name of company	Class of shares	Principal activity
Wall to Wall Drama Ltd	Ordinary £1 shares	TV production
Wall to Wall (Egypt) Ltd	Ordinary £1 shares	TV production

In addition, the Company held 22.5% of the equity of Brand Events History Ltd, a joint venture with Brand Events Ltd for the staging of the Who Do You Think You Are Live event

	31 December 2007 £	Restated 30 June 2007 £
Aggregate capital and reserves		
Wall to Wall Drama Ltd	28	28
Wall to Wall (Egypt) Limited	235,516	183,662
Profit and loss for the year		
Wall to Wall Drama Ltd	-	-
Wall to Wall (Egypt) Limited	51,854	76,037

Wall To Wall Television Limited
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2007

8	DEBTORS	31 December 2007 £	30 June 2007 £
	Trade debtors	499,430	691,216
	Amounts owed by group undertakings	3,447,256	4,251,685
	Amounts owed to related party	-	119,866
	Other debtors	745,509	101
	Deferred taxation (note 9)	17,889	9,478
		<u>4,710,084</u>	<u>5,072,346</u>
9	DEFERRED TAX	31 December 2007 £	30 June 2007 £
	The deferred tax included in the balance sheet is as follows		
	Included in debtors (note 8)	<u>17,889</u>	<u>9,478</u>
		6 months ended 31 December 2007 £	Year ended 30 June 2007 £
	The movement in the deferred taxation account during the period/year was		
	Deferred tax brought forward	(9,478)	-
	Profit and loss account movement arising during the period/year	(8,411)	(9,478)
	Balance carried forward	<u>(17,889)</u>	<u>(9,478)</u>
	The provision for deferred taxation consists of the tax effect of timing differences in respect of		
	Excess of taxation allowances over depreciation on fixed assets	<u>(17,889)</u>	<u>(9,478)</u>
10	CREDITORS Amounts falling due within one year	31 December 2007 £	30 June 2007 £
	Bank loans and overdrafts	66,263	-
	Trade creditors	6,293	16,575
	Amounts owed by group undertakings	2,920,271	3,673,341
	Corporation tax	70,490	110,596
	Other taxation and social security	66,571	72,310
	Other creditors	638,036	519,724
		<u>3,767,924</u>	<u>4,392,546</u>

Wall To Wall Television Limited
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2007

11 CONTINGENCIES

The company has entered into cross-guarantees to secure the borrowings of the other group companies. At the period end, the amount subject to these cross guarantees which represent a contingent liability of the company was £Nil (30 June 2007 £Nil)

12	SHARE CAPITAL	31 December 2007 £	30 June 2007 £
	Authorised 1,000 Ordinary shares of £1 each	1,000	1,000
	Allotted, called up and fully paid		
		31 December 2007 No £	30 June 2007 No £
	Ordinary shares of £1 each	100 100	100 100

13	PROFIT AND LOSS ACCOUNT	6 months ended 31 December 2007 £
	Balance brought forward	1,035,424
	Profit for the financial period	14,138
	Balance carried forward	1,049,562

14	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	6 months ended 31 December 2007 £	Year ended 30 June 2007 £
	Opening shareholders' funds as previously stated	1,035,524	856,621
	Profit for the financial period/year	14,138	178,903
	Closing shareholders' funds	1,049,662	1,035,524

15 CONTROLLING PARTIES

The immediate parent undertaking is Wall to Wall (Holdings) Limited, a company incorporated in England and Wales and the ultimate parent undertaking is Shed Media plc, a company incorporated in England and Wales. Shed Media plc is the only parent company to have prepared consolidated financial statements.

Consolidated accounts for Shed Media plc are available from the following address,

2 Holford Yard, London, WC1X 9HD

Wall To Wall Television Limited
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2007

16 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 8 from the requirement to disclose details of transactions with group companies

Other than transactions with group companies there were no related party transactions during the period