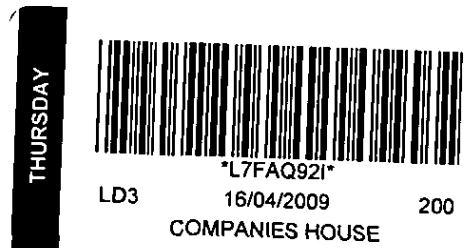


Wall To Wall Television Limited

DIRECTORS' REPORT AND ACCOUNTS

Year ended 31 December 2008



Company Registration Number: 2087671

Wall To Wall Television Limited

COMPANY INFORMATION

DIRECTORS

A Graham
J Kemp
N Southgate

SECRETARY

H Ely

COMPANY NUMBER

2087671

REGISTERED OFFICE

27/28 Eastcastle Street,
London, W1W 8DH

AUDITOR

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 year ended 31 December 2008.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

The company experienced significant growth in sales activity in the year from sources including book publishing, international format rights, finished programme sales, DVD rights and video on demand rights. This was due in part to the transfer of the distribution activity for the majority of the titles to another group company, Outright Distribution Ltd ("Outright") an established company dedicated solely to distribution. There were however several key titles that the company did continue to distribute, and it is through increases in revenue from these titles, along with the benefit of having a dedicated external distribution resource that has seen turnover grow in the year to £831,089 (2007 6 months: £254,812). Similarly the gross profit margin also grew to 91% (2007 6 months: 83%) due to an increase in turnover derived from income types that attract no residual costs, such as repeat fees.

FUTURE OUTLOOK

In future periods the company will aim to continue to exploit its television rights and undertake ancillary activities 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 in 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. The development, performance and position of Shed Media plc, which include those of the company, are discussed in the group's annual report, which does not form part of this report.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £333,680 (2007 6 months: £14,138). The directors have paid a dividend of £900,000 (2007 6 months: £Nil) during the year.

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.

Wall To Wall Television Limited

DIRECTORS' REPORT

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 year were as follows:

A Graham	
J Kemp	
E Gallagher	(resigned 20 January 2009)
N Southgate	(appointed 20 January 2009)

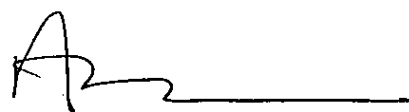
STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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 auditor is unaware. Each of the directors have 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.

AUDITOR

A resolution to re-appoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditor will be put to the members at the Annual General Meeting.

On behalf of the Board



Director
1 April 2009

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 6 to 14.

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 auditor

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we 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 2008 and of its profit for the year 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

1 April 2009

Wall To Wall Television Limited
 PROFIT AND LOSS ACCOUNT
 for the year ended 31 December 2008

		Year ended 31 December 2008 £	6 months ended 31 December 2007 (restated) £
	Notes		
TURNOVER	1	831,089	254,812
Cost of sales		(71,100)	(42,182)
GROSS PROFIT		<u>759,989</u>	<u>212,630</u>
Other operating charges	2	(277,655)	(196,723)
OPERATING PROFIT	3	<u>482,334</u>	<u>15,907</u>
Interest receivable and similar charges	4	11,054	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>493,388</u>	<u>15,907</u>
Taxation charge	5	(159,708)	(1,769)
PROFIT FOR THE FINANCIAL YEAR/PERIOD	13	<u><u>333,680</u></u>	<u><u>14,138</u></u>

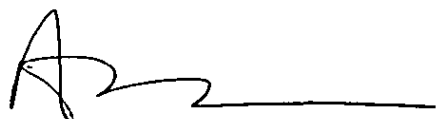
The operating profit for the year/period arises from the company's continuing operations.

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 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	7	9,897	86,014
Investments	8	102	102
		<u>9,999</u>	<u>86,116</u>
CURRENT ASSETS			
Debtors	9	5,145,924	4,710,084
Cash at bank		80,364	21,386
		<u>5,226,288</u>	<u>4,731,470</u>
CREDITORS: Amounts falling due within one year	11	(4,752,945)	(3,767,924)
NET CURRENT ASSETS		<u>473,343</u>	<u>963,546</u>
NET ASSETS		<u>483,342</u>	<u>1,049,662</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	100	100
Profit and loss account	13	483,242	1,049,562
EQUITY SHAREHOLDERS' FUNDS	14	<u>483,342</u>	<u>1,049,662</u>

The financial statements were approved by the Board and authorised for issue on *1 April* 2009 and signed on its behalf by:



A Graham
Director

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	-	Over the life of the lease
Fixtures & Fittings	-	25%
Computer Equipment	-	33%
Edit Suite Equipment	-	20%

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 year ended 31 December 2008

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:

	Year ended 31 December 2008 £	6 months ended 31 December 2007 £ (restated)
United Kingdom	407,234	147,587
Rest of World	423,855	107,225
	<u>831,089</u>	<u>254,812</u>

The company receives secondary income in respect of programme sales on behalf of its subsidiaries, which is then passed on in full to the relevant subsidiary undertaking. The company also pays residual costs to broadcasters on such programmes, which are also passed on in full to the relevant subsidiary undertaking.

In 2007 the net effect of these two recharges was adjusted in costs of sales, but has now been restated to show the relevant impact on both turnover and cost of sales. This has been done to reflect the underlying nature of the transaction as being income and costs attributable to subsidiary undertakings and not to Wall to Wall Television Limited. The effect of this adjustment has been to reduce both turnover and cost of sales in 2007 by £564,592.

2 OTHER OPERATING CHARGES

	Year ended 31 December 2008 £	6 months ended 31 December 2007 £
Administrative expenses	<u>277,655</u>	<u>196,723</u>

3 OPERATING PROFIT

	Year ended 31 December 2008 £	6 months ended 31 December 2007 £
Operating profit is stated after charging/(crediting):		
Depreciation of fixed assets	76,117	56,627
Net gain on foreign currency translation	<u>(69,598)</u>	<u>(7,722)</u>

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

The directors of the Company were also directors of other group undertakings. The directors remuneration for the period was paid by other group undertakings. The directors do not believe that it is practicable to apportion this amount between their services as directors of the Company and their services as directors of the fellow subsidiary undertakings.

Wall To Wall Television Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

4 INTEREST RECEIVABLE AND SIMILAR CHARGES

Year ended 31 December 2008 £	6 months ended 31 December 2007 £
--	---

Bank interest and similar charges	11,054	-
-----------------------------------	--------	---

5 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year/period	Year ended 31 December 2008 £	6 months ended 31 December 2007 £
Current tax:		
UK corporation tax	186,403	-
Adjustments in respect of previous periods	(17,091)	(6,573)
Foreign tax	-	16,753
Total current tax	169,312	10,180
Deferred tax:		
Origination and reversal of timing differences (note 10)	(9,604)	(9,043)
Effect of decreased tax rate on opening asset	-	632
	(9,604)	(8,411)
Tax on profit on ordinary activities	159,708	1,769

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year/period is higher than the average standard rate of corporation tax in the UK of 28.5% (2007: 30%)

Year ended 31 December 2008 £	6 months ended 31 December 2007 £
Profit on ordinary activities before taxation	493,388
Profit on ordinary activities multiplied by rate of tax	140,604
Expenses not deductible for tax purposes	298
Depreciation for period in excess of capital allowances	14,141
Higher rate tax on overseas earnings	-
Transfer pricing adjustment	31,360
Adjustment to previous periods	(17,091)
Total current tax	169,312

Wall To Wall Television Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

6 DIVIDENDS

	2008 £	2007 £
Interim paid: £9,000 (2007: £Nil) per £1 share	900,000	-

7 TANGIBLE FIXED ASSETS	Leasehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January and 31 December 2008	31,570	20,950	790,639	843,159
Depreciation				
At 1 January 2008	6,350	16,292	734,503	757,145
Charge for the year	15,323	4,658	56,136	76,117
At 31 December 2008	21,673	20,950	790,639	833,262
Net book value at 31 December 2008	9,897	-	-	9,897
Net book value at 31 December 2007	25,220	4,658	56,136	86,014

8 INVESTMENTS

Investments in subsidiaries	£
Cost	
At 31 December 2007 and 2008	102
Net book value	
At 31 December 2007 and 2008	102
31 December 2007	102

At 31 December 2008 the Company held 100% of the equity of the following companies:

Name of company	Class of shares	Principal activity	Country of incorporation
Wall to Wall Drama Ltd	Ordinary £1 shares	TV production	England and Wales
Wall to Wall (Egypt) Ltd	Ordinary £1 shares	TV production	England and Wales

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

Wall To Wall Television Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

9	DEBTORS	2008 £	2007 £
	Trade debtors	244,503	499,430
	Amounts owed by group undertakings	4,873,928	3,447,256
	Other debtors	-	745,509
	Deferred taxation (note 10)	27,493	17,889
		<u>5,145,924</u>	<u>4,710,084</u>
10	DEFERRED TAX	Year ended 31 December 2008 £	6 months ended 31 December 2007 £
	The movement in deferred taxation during the year/period was:		
	Deferred tax brought forward	(17,889)	(9,478)
	Profit and loss account movement arising during the year/period	(9,604)	(8,411)
	Balance carried forward	<u>(27,493)</u>	<u>(17,889)</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>(27,493)</u>	<u>(17,889)</u>
11	CREDITORS: Amounts falling due within one year	2008 £	2007 £
	Bank loans and overdrafts	-	66,263
	Trade creditors	3,446	6,293
	Amounts owed to group undertakings	3,492,966	2,920,271
	Corporation tax	77,162	70,490
	Other taxation and social security	84,207	66,571
	Accruals and deferred income	1,095,164	638,036
		<u>4,752,945</u>	<u>3,767,924</u>
12	SHARE CAPITAL	2008 £	2007 £
	Authorised: 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid:	2008 £	2007 £
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Wall To Wall Television Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

13	PROFIT AND LOSS ACCOUNT	Year ended 31 December 2008 £
	Balance brought forward	1,049,562
	Profit for the financial year	333,680
	Dividend paid during the year	(900,000)
	Balance carried forward	<u>483,242</u>

14	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	Year ended 31 December 2008 £	6 months ended 31 December 2007 £
	Opening shareholders' funds	1,049,662	1,035,524
	Profit for the financial year/period	333,680	14,138
	Dividend paid during the year	(900,000)	-
	Closing shareholders' funds	<u>483,342</u>	<u>1,049,662</u>

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

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 year/period.

17 CONTINGENT LIABILITY

The company has given guarantees in respect of bank borrowings of other group companies which amounts to £31,580,605 at 31 December 2008 (2007 £35,614,318).