

# Wall To Wall (Holdings) Limited

## DIRECTORS' REPORT AND ACCOUNTS

Year ended 31 December 2008



Company Registration Number: 2580387

# Wall To Wall (Holdings) Limited

## COMPANY INFORMATION

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### DIRECTORS

A Graham  
J Kemp  
N Southgate

### SECRETARY

H Ely

### COMPANY NUMBER

2580387

### 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 (Holdings) Limited

## DIRECTORS' REPORT

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The directors present their report and the financial statements of Wall To Wall (Holdings) Limited for the year ended 31 December 2008.

### PRINCIPAL ACTIVITIES

The principal activity of the company is as the holding company of a television production and exploitation group.

### REVIEW OF THE BUSINESS

The company continued in its core business as a television production holding entity.

### FUTURE OUTLOOK

In future periods the company will aim to continue to be the holding company for Wall to Wall companies producing and exploiting established and new 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 (Holdings) Limited's business. The principal risks and uncertainties of Shed Media plc, which include those of the company, are within 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 company's 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 (Holdings) 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 £1,301,211 (2007 6 months: loss of £53,778). The directors paid a dividend of £1,323,145 during the year (2007: £Nil).

### DIRECTORS

The following directors have held office since 1 January 2008:

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

# Wall To Wall (Holdings) Limited

## DIRECTORS' REPORT

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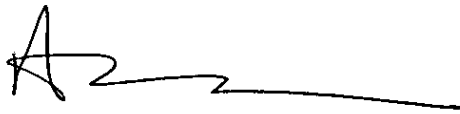
### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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 (Holdings) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALL TO WALL (HOLDINGS) LIMITED

We have audited the financial statements of Wall To Wall (Holdings) 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 auditors

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 (Holdings) Limited  
 PROFIT AND LOSS ACCOUNT  
 for the year ended 31 December 2008

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	Notes	Year ended 31 December 2008 £	6 months ended 31 December 2007 £
Other operating charges	1	(80,159)	(53,778)
OPERATING LOSS	2	(80,159)	(53,778)
Income from shares in group undertakings		1,360,000	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,279,841	(53,778)
Tax credit on profit on ordinary activities	4	21,370	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR/PERIOD		1,301,211	(53,778)

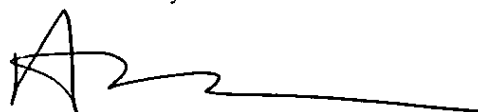
The operating loss for the year/period arises from the company's continuing operations.

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 (Holdings) Limited  
BALANCE SHEET  
as at 31 December 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Investments	6	202	202
CURRENT ASSETS			
Debtors	7	1,651,311	1,716,588
Cash at bank		-	89,130
		<u>1,651,311</u>	<u>1,805,718</u>
CREDITORS: Amounts falling due within one year	8	(1,700,536)	(1,833,009)
NET CURRENT LIABILITIES		<u>(49,225)</u>	<u>(27,291)</u>
NET LIABILITIES		<u>(49,023)</u>	<u>(27,089)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	1,000	1,000
Profit and loss account	11	(50,023)	(28,089)
EQUITY SHAREHOLDERS' DEFICIT	12	<u>(49,023)</u>	<u>(27,089)</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 (Holdings) Limited

## ACCOUNTING POLICIES

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### 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 group.

### 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.

### INVESTMENTS

Long term investments are classified as fixed assets. Short term investments are classified as current assets.

Fixed asset investments are stated at cost in the company balance sheet. Other investments listed on a recognised stock exchange are valued at the lower of cost and mid-market value at the balance sheet date. Unlisted investments are stated at cost.

Provision is made for any impairment in the value of fixed asset investments.

### 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 Group'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 recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is a binding agreement to sell the asset and the gain or loss expected to arise on sale has been recognised.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### GOING CONCERN

Having made appropriate enquiries, the directors are satisfied that the Company and the Group have adequate resources to continue in operation for the foreseeable future. Accordingly, they consider it appropriate to adopt the going concern basis in preparing the financial statements.

# Wall To Wall (Holdings) Limited

## ACCOUNTING POLICIES

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### SHARE OPTIONS

The company has applied the requirements of FRS 20 Share-based Payments. The company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest.

The fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Wall To Wall (Holdings) Limited  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2008

1	OTHER OPERATING CHARGES	Year ended 31 December 2008 £	6 months ended 31 December 2007 £
	Administrative expenses	80,159	53,778
2	OPERATING LOSS	Year ended 31 December 2008 £	6 months ended 31 December 2007 £
	Operating loss is stated after charging:		
	Statutory audit of parent company	5,000	5,000
	Statutory audit of subsidiary companies	40,000	45,000
3	DIRECTORS' EMOLUMENTS	Year ended 31 December 2008 £	6 months ended 31 December 2007 £
	Remuneration in respect of directors was as follows:		
	Emoluments receivable	-	133,900
	Contributions to money purchase schemes	-	3,347
		-	137,247
	No directors are accruing benefits under a money purchase scheme (2007: 1).		
	All staff costs and Directors' emoluments are borne by other Group companies.		
4	TAXATION	Year ended 31 December 2008 £	6 months ended 31 December 2007 £
	(a) Analysis of charge in the year/period		
	Current tax:		
	UK corporation tax credit based on the results for the year at a standard average rate of 28.5% (2007: 30%)	21,370	-
	Total current tax credit	21,370	-

Wall To Wall (Holdings) Limited  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2008

4	TAX ON LOSS ON ORDINARY ACTIVITIES (continued)	Year ended 31 December 2008 £	6 months ended 31 December 2007 £
	(b) Factors affecting current tax credit		
	The tax assessed on the profit/(loss) on ordinary activities for the year/period is lower than the standard average rate of corporation tax in the UK of 28.5% (2007: 30%)		
	Profit/(loss) on ordinary activities before taxation	1,279,841	(53,778)
	Profit/(loss) on ordinary activities multiplied by rate of tax	364,719	(16,133)
	Income not taxable	(387,563)	-
	Expenses not deductible for tax purposes	-	1,133
	Transfer pricing adjustment	1,474	-
	Tax losses not utilised	-	15,000
	Total current tax credit	21,370	-
5	DIVIDENDS	2008 £	2007 £
	Interim paid: £1,323 (2007: £nil) per £1 share	1,323,143	-
6	FIXED ASSET INVESTMENT		Group companies £
	Cost		
	At 31 December 2007 and 2008		202
	Net book value at 31 December 2007 and 2008		202

**Wall To Wall (Holdings) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2008

**6 FIXED ASSET INVESTMENT (continued)**

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 Television Ltd	Ordinary £1 shares	TV rights exploitation	England and Wales
Spring Place Services Ltd	Ordinary £1 shares	Management services	England and Wales
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
Wall to Wall Media Ltd	Ordinary £1 shares	TV production	England and Wales
Wall to Wall (New Tricks) Ltd*	Ordinary £1 shares	TV production	England and Wales
Wall to Wall Inc*	Ordinary \$1 shares	TV production	United States of America
George IV Inc*	Ordinary \$1 shares	TV production	United States of America
Surviving Terror Inc*	Ordinary \$1 shares	TV production	United States of America

\*Investments held through subsidiary undertakings.

In addition, the Company, via its subsidiary Wall to Wall Television Ltd, 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.

<b>7</b>	<b>DEBTORS</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Amounts owed by group undertakings	1,651,191	1,493,318
	Other debtors	120	223,270
		<u>1,651,311</u>	<u>1,716,588</u>
<b>8</b>	<b>CREDITORS: Amounts falling due within one year</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Amounts owed to group undertakings	1,646,476	1,719,865
	Other creditors	-	62,216
	Accruals and deferred income	54,060	50,928
		<u>1,700,536</u>	<u>1,833,009</u>
<b>9</b>	<b>SHARE CAPITAL</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Authorised, allotted, called up and fully paid: 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Wall To Wall (Holdings) Limited  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2008

10 SHARE OPTIONS

Share options granted under the company's schemes became exercisable on certain trigger events as set out in the scheme.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year/period were as follows:

	31 December 2008		31 December 2007	
	Number	WAEP£	Number	WAEP£
Outstanding at the beginning of the year/period	-	-	1,670	133
Granted during the year/period	-	-	-	-
Exercised during the period	-	-	(1,670)	(133)
Lapsed during the year/period	-	-	-	-
Outstanding at the end of the year/period	-	-	-	-
Exercisable at the end of the year/period	-	-	-	-

The fair value of equity settled transactions is estimated at the date of grant. Fair values were determined according to the Black-Scholes option pricing model using the following:

Weighted share price at grant	£118
Weighted average exercise price	£133
Weighted average expected volatility	20%
Average expected life (years)	2
Weighted average risk free rate	5.8%
Expected dividend yield	45.8%

The expected volatility was calculated using the historic volatility of similar listed TV production companies. The expected life of the options was initially based on management's assumption that an exercisable event would occur within a two year period from grant, revised during the period to 31 December 2007 to account for the sale of the company to Shed Media plc.

During 2007, an FRS20 charge of £3,778 was included within the profit & loss account in respect of the share options. No charge was included for 2008 as all options have now been exercised following the sale of the company to Shed Media plc in 2007.

Wall To Wall (Holdings) Limited  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2008

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11	PROFIT AND LOSS ACCOUNT	2008 £
	Balance brought forward	(28,089)
	Profit for the financial year	1,301,211
	Dividend paid in the year	(1,323,145)
	Balance carried forward	<u>(50,023)</u>

12	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	Year ended 31 December 2008 £	6 months ended 31 December 2007 £
	Opening shareholders' (deficit)/funds	(27,089)	22,911
	Share option charge (see note 10)	-	3,778
	Profit/(loss) for the financial year/period	1,301,211	(53,778)
	Dividend paid in the year/period	(1,323,145)	-
	Closing shareholders' deficit	<u>(49,023)</u>	<u>(27,089)</u>

13 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.

14 CONTROLLING PARTIES

The immediate and ultimate parent undertaking is Shed Media plc, a company incorporated in England and Wales.

Consolidated accounts are prepared for Shed Media plc and are available from the following address:

2 Holford Yard  
London  
WC1X 9HD

15 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).