

Wall to Wall (Holdings) Limited

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Report and Financial Statements

31 December 2010

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COMPANIES HOUSE

**Directors**

A Graham  
J Kemp  
N Southgate

**Secretary**

H Ely

**Auditor**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

**Bankers**

Barclays Bank plc  
27 Soho Square  
London W1D 3QR

**Registered Office**

85 Grays Inn Rd,  
London  
WC1X 8TX

## **Directors' report**

The directors present their report and financial statements for the year ended 31 December 2010

### **Results and dividends**

The profit for the year after taxation amounted to £2,896,373 (2009 – profit of £1,997,129) The directors paid a dividend of £2,800,000 during the year (2009 – £2,000,000)

### **Principal activities and review of the business**

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

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

On 13 October 2010 Time Warner Inc , through WB BidCo plc (which subsequently changed its name to Shed Media Group Limited), acquired a controlling interest in the company's then ultimate parent undertaking Shed Media plc, and the company became a subsidiary of Time Warner Inc at that date. Shed Media plc subsequently changed its name to Shed Media Limited

### **Key performance indicators**

The principal performance measures used to monitor the business are

- 1) Income from group undertakings Dividends received during the year were £2,900,000 (2009 – £2,000,000)

### **Future developments**

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 and uncertainties**

As the principal activity of the company is as a holding company, the risks and uncertainties inherently lie in the companies under its control and are communicated within their director's report

### **Directors**

The directors who served the company during the year were as follows

A Graham  
J Kemp  
N Southgate

### **Disclosure of information to the auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

## Directors' report

### Auditor

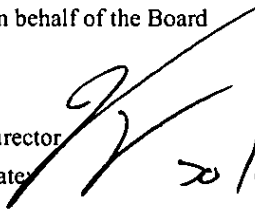
Baker Tilly UK Audit LLP resigned as auditor on 13 October 2010 and Ernst & Young LLP was appointed in its place

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting

On behalf of the Board

Director

Date

  
20/09/11

Jonathon Kemp

## Statement of directors' responsibilities

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). Under company law the directors must not approve the financial statements unless they are 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records 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 them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company 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 for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report**

to the members of Wall to Wall (Holdings) Limited

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Ernst & Young LLP*

Neil Cullum (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP (Statutory Auditor)  
London

*20/9/2011*

## Profit and loss account

for the year ended 31 December 2010

	Notes	2010 £	2009 £
Other operating charges	2	(126)	—
<b>Operating loss</b>		(126)	—
Income from shares in group undertakings		2,900,000	2,000,000
<b>Profit on ordinary activities before taxation</b>		2,899,874	2,000,000
Taxation	5	(3,501)	(2,871)
<b>Profit for the financial year</b>	11	2,896,373	1,997,129

## Statement of total recognised gains and losses

for the year ended 31 December 2010

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £2,896,373 in the year ended 31 December 2010 (2009 – profit of £1,997,129)



## Balance sheet

at 31 December 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Investments	7	202	202
<b>Current assets</b>			
Debtors	8	2,945,188	1,605,439
Cash at bank and in hand		4	-
		2,945,191	
<b>Creditors:</b> amounts falling due within one year	9	(2,900,915)	(1,657,535)
<b>Net current assets</b>		44,277	(52,096)
<b>Net assets</b>		44,479	(51,894)
<b>Capital and reserves</b>			
Called up share capital	10	1,000	1,000
Profit and loss account	11	43,479	(52,894)
<b>Shareholders' funds</b>	12	44,479	(51,894)

Jonathon Kemp

Director

Date

20/09/11

## Notes to the financial statements

at 31 December 2010

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

#### *Going concern*

After making reasonable enquiries, the Board consider that the company has adequate resources and facilities to continue in operational existence for the foreseeable future and therefore the financial statements are prepared on a going concern basis

#### *Statement of cash flows*

The company has taken advantage of the exemption within FRS 1 – Cash Flow Statements, for subsidiaries with 90% or more of the voting rights controlled within the group, and has not presented a statement of cash flows

#### *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.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *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.

## Notes to the financial statements

at 31 December 2010

### 2. Other operating charges

	2010	2009
	£	£
Administrative expenses	(126)	–

### 3. Operating loss

This is stated after charging/(crediting)

	2010	2009
	£	£
Auditor's remuneration	–	–

Auditor's remuneration for the current year was borne by Wall to Wall Media Limited

### 4 Directors' emoluments

All staff costs and Directors' emoluments are borne by other Group companies

### 5. Tax

(a) Tax on profit/(loss) on ordinary activities

The tax charge is made up as follows

	2010	2009
	£	£
<i>Current tax</i>		
UK corporation tax on the profit for the year	3,501	2,871
Total current tax (note 5(b))	3,501	2,871

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2009 – 28%) The differences are explained below

	2010	2009
	£	£
Profit on ordinary activities before tax	2,899,874	2,000,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 – 28%)	811,965	560,000
<i>Effects of</i>		
Income not taxable	(812,000)	(560,000)
Transfer pricing adjustment	3,536	3,394
Marginal relief and small companies rate	–	(523)
Current tax for the year (note 5(a))	3,501	2,871

## Notes to the financial statements

at 31 December 2010

### 5 Tax (continued)

#### Factors affecting future tax charges

A number of changes to the UK corporation tax system were announced in the June 2010 and March 2011 Budget statements. The Finance (No 2) Act 2010, enacted in July 2010, included legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. The effect of this change on the deferred tax balances has been included in the figures within these accounts.

A further 1% reduction in the rate to 26% from 1 April 2011 was substantively enacted via Resolution in March 2011 and a reduction of a further 1% to a rate of 25% effective from 1 April 2012 was substantively enacted in July 2011. As these changes were substantively enacted after the balance sheet date, they are not reflected in the figures within these accounts. Further changes to the rate are proposed to reduce the rate by a further 1% per annum to 23% by 1 April 2014, but these changes have not yet been substantively enacted and are not therefore included in the figures within these accounts. It is not yet possible to quantify the impact of these rate changes upon current tax.

### 6 Dividends

	2010 £	2009 £
Interim paid £2,400 (2009 – £2,000) per £1 share	2,400,000	2,000,000
Final dividend paid £400 (2009 – £nil) per £1 share	400,000	-

### 7. Investments

	<i>Subsidiary undertakings</i> £
Cost	
At 1 January and 31 December 2010	202
Net book value	
At 1 January and 31 December 2010	202

At 31 December 2010 the Company held 100% of the equity of the following companies

<i>Name of company</i>	<i>Class of shares</i>	<i>Principal activity</i>	<i>Country of incorporation</i>
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

## Notes to the financial statements

at 31 December 2010

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

### 8. Debtors

	2010	2009
	£	£
Amounts owed by group undertakings	2,945,188	1,605,311
Other debtors	-	128
	<u>2,945,188</u>	<u>1,605,439</u>

### 9 Creditors amounts falling due within one year

	2010	2009
	£	£
Amounts owed to group undertakings	2,900,915	1,657,535
	<u>2,900,915</u>	<u>1,657,535</u>

### 10 Issued share capital

	No	2010	No	2009
		£		£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	1,000	<u>1,000</u>	1,000	<u>1,000</u>

### 11. Movement on reserves

	£
At 1 January 2010	(52,894)
Profit for the financial year	2,896,373
Dividend paid during the financial year (note 9)	(2,800,000)
At 31 December 2010	<u>43,479</u>

### 12 Reconciliation of shareholders' funds

	2010	2009
	£	£
Opening shareholders' funds	(51,894)	(49,023)
Profit for the financial year	2,896,373	1,997,129
Dividend paid during the financial year	(2,800,000)	(2,000,000)
Closing shareholders' funds	<u>44,479</u>	<u>(51,894)</u>

### 13. Contingent liabilities

The company has given guarantees in respect of bank borrowings of other group companies which amounts to £NIL at 31 December 2010 (2009 – £26,191,175)

## **Notes to the financial statements**

at 31 December 2010

### **14. Related party transactions**

The company has taken advantage of the exemption conferred by FRS 8 from the requirements to disclose details of transactions with group companies

Other than transactions with group companies, there were no related party transactions during the current or prior years

### **15. Ultimate parent undertaking and controlling party**

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

Time Warner Holdings Limited is the parent undertaking of the smallest group of undertakings of which the company is a member and for which group financial statements are drawn up. Time Warner Holdings Limited is registered in England and Wales and copies of its financial statements can be obtained from the Registrar of Companies in Cardiff

At 31 December 2010, Time Warner Inc, a company incorporated in the United States of America, was the ultimate parent undertaking and the parent undertaking of the largest group of undertakings of which the company is a member and for which group financial statements are drawn up. Copies of Time Warner Inc's financial statements can be obtained from One Time Warner Center, New York, NY 10019, USA