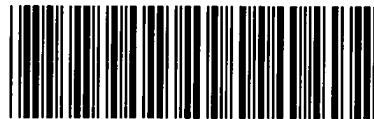


Company registration number: 03617464

# Shed Media Limited

Annual Report and Financial Statements  
for the Year Ended 31 December 2020

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# **Shed Media Limited**

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## **Shed Media Limited**

### **Company Information**

<b>Directors</b>	W A Ogilvie R Goes
<b>Registered office</b>	Warner House 98 Theobald's Road London WC1X 8WB
<b>Auditor</b>	Shipleys LLP 10 Orange Street London WC2H 7DQ
<b>Banker</b>	Barclays Bank PLC 8/9 Hanover Square London W1A 4ZW

## Shed Media Limited

### Strategic Report for the Year Ended 31 December 2020

The directors present their Strategic Report for the year ended 31 December 2020. In preparing this Strategic Report, the directors have complied with section 414c of the Companies Act 2006.

#### Principal activity

The company's principal activity is and will continue to be that of an intermediate holding company to a group which develops, produces, and exploits television programmes.

#### Results

The profit for the year after taxation amounted to £3,280,000 (2019 profit for the year after taxation - £2,000).

#### Review of the business and KPIs

The company's key financial and other performance indicators during the year were as follows:

	Unit	2020	2019
Profit for the financial year	£'000	3,280	2
Equity shareholders' funds	£'000	28,438	28,456

The company's profit for the financial year increased year on year owing to dividends being paid to the company during the year.

#### Principal risks and uncertainties

An analysis of the risks and uncertainties of the AT&T Inc. group are discussed in the group's Annual Report which is publicly available.

As a holding company, the principal risks and uncertainties facing the company relate to its subsidiaries as a group and are detailed below.

The popularity of content is difficult to predict and can change rapidly, and low public acceptance of the company's content will adversely affect its results. The revenues derived from the sale, distribution and licensing of television programming and other content depend primarily on widespread public acceptance of that content, which is difficult to predict and can change rapidly. The company must invest substantial amounts in the marketing of its content before it learns whether such content will reach anticipated levels of popularity with consumers. The popularity of the company's content depends on many factors, only some of which are within the company's control.

Low ratings for television programming produced by the group may lead to the cancellation of a programme and can negatively affect future license fees for the cancelled programme. If the group decides to no longer air programming due to low ratings or other factors, the group could incur significant programming impairments, which could have material adverse effect on the group's results of operations in a given period.

## **Shed Media Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

#### **Principal risks and uncertainties (continued)**

If the company fails to compete successfully against alternative sources of entertainment, there may be an adverse effect on the company's results. The company competes with other sources of entertainment, including feature films, the Internet, home entertainment products, videogames, social networking and pirated content, for consumers' leisure and entertainment time and discretionary spending. The increased number of media and entertainment choices available to consumers has made it much more difficult to attract and obtain their attention and time.

The company is subject to a variety of laws and regulations. The company could incur significant costs to comply with new laws or regulations or substantial penalties or other liabilities if it fails to comply with them. Compliance with new laws or regulations could also cause the company to change or limit its business practices in a manner that is adverse to its business.

At regular intervals since the referendum in 2016, the company has identified and assessed various business risks arising from the UK's exit from the European union. Based on what the company knows to date, and given the many continuing uncertainties surrounding Brexit, the company believes that it has mitigated the identified risks as best it can in the circumstances. Management has reviewed significant supply chains, likely staffing impacts, software requirements and tax reporting requirements used in the company's operations and, where possible and where relevant, similar operations of its key business partners.

Particular attention has been given to those areas that could cause an immediate impact to the company's business, such as the importation of physical products into the UK, distance sales that would become exports and possible staffing issues. Simplifications such as postponed VAT accounting on imports have been reviewed and, where necessary, EORI numbers and Transitional Simplified Procedure numbers have been applied for. Legal services have been engaged to assist staff who are known European Union nationals.

Management has also considered currency risks and opportunities due to ultimate parent company reporting in USD. Whilst revenue and profit reporting in USD would be harmed by a weaker GBP, this would be partially offset by GBP investment in infrastructure and UK film and television productions elsewhere in the Group.

The directors have considered the impact of COVID-19 on future trading of the company and are confident that it will not lead to the company no longer being a going concern. The company is not actively producing new content but continues to receive income from previously completed productions. The directors are confident that they will be able to continue to trade for at least 12 months from the signing of the financial statements regardless of the impact of COVID-19.

## **Shed Media Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

#### **Section 172(1) Statement**


Each of the directors of the Company are aware of their obligation to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so to have regard (amongst other matters) to the matters set out in paragraphs (a) to (f) of Section 172(1) of the Companies Act 2006 ("Section 172(1)").

As the Company is a holding company with a single member, without employees and without its own significant business activities, the directors consider that having regard to the likely consequences of any decision in the long term and the Company maintaining a reputation for high standards of business conduct (as set out in paragraphs (a) and (e) of Section 172(1)) are of primary importance in promoting the success of the Company.

The directors consider that a particularly important aspect of promoting the success of the Company is their commitment to running the Company's business according to high standards of ethics and integrity. That commitment begins with the Company's adoption of its group policy, the WarnerMedia Standards of Business Conduct ("SBC").

The underlying principles of the SBC are that the Company's officers and employees shall act with integrity; maintain a professional workplace; respect and protect intellectual property; protect the confidentiality, security and integrity of the Company's records, information and assets; avoid conflicts of interest and compete fairly and ethically in the global marketplace.

On behalf of the Board



.....  
W A Ogilvie  
Director

Date: Sep 2, 2021

## **Shed Media Limited**

### **Directors' Report for the Year Ended 31 December 2020**

The directors present their annual report on the affairs of Shed Media Limited ("the company") together with the financial statements for the year ended 31 December 2020.

#### **Dividends**

Dividends of £3,298,000 were paid during the year (2019 - £nil).

#### **Going concern**

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Directors of the company**

Except as noted below, the following were directors of the company who served throughout the year and were still directors at the date of this report:

W A Ogilvie  
R Goes

The Articles of Association do not require directors to retire either by rotation or in the year of appointment.

#### **Directors qualifying third party indemnity provisions**

The company may indemnify one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 and the company may purchase insurance for this purpose. AT&T Inc. has purchased a directors and officers liability insurance policy for the benefit of the company and its directors and such policy was in force during the year and is in force as at the date of approving the Directors' Report.

#### **Important non adjusting events after the financial period**

On 17 May 2021 the ultimate parent company, AT&T Inc. announced they will combine the Warner Media content unit with Discovery, Inc. Under the agreement, AT&T Inc. will form a new media company with Discovery, Inc., which would be separate from AT&T Inc. This company is part of the Warner Media Group which will form part of the new media company. Whilst the deal has been announced, it is pending approval by the regulators and Discovery shareholders, and is not expected to formally close until the middle of 2022.

#### **Employee Engagement**

The company has no employees and therefore has nothing to report in respect of employee engagement activity during the year.

#### **Streamlined Energy and Carbon Reporting (SECR)**

The company has not consumed more than 40,000 kWh of energy in the reporting period and is therefore exempt from providing further information under The Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

## **Shed Media Limited**

### **Directors' Report for the Year Ended 31 December 2020 (continued)**

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

Each of the persons who is a director at the date of approval of this report confirms that:


- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/ she ought to have taken as a director in order to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Shipleys LLP will continue in office.

On behalf of the Board



.....  
W A Ogilvie  
Director

Date: Sep 2, 2021



## **Shed Media Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' 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 apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are 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 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.

## **Shed Media Limited**

### **Independent Auditor's Report to the Members of Shed Media Limited**

#### **Opinion**

We have audited the financial statements of Shed Media Limited (the 'company') for the year ended 31 December 2020, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, and notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 United Kingdom Generally Accepted Accounting Practice;
- 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 under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Shed Media Limited**

### **Independent Auditor's Report to the Members of Shed Media Limited (continued)**

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

## **Shed Media Limited**

### **Independent Auditor's Report to the Members of Shed Media Limited (continued)**

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Company's business, controls, legal and regulatory frameworks, laws and regulations and assessed the susceptibility of the Company's financial statements to material misstatement from irregularities, including fraud, are instances of non-compliance with laws and regulations.
- Based on this understanding we designed our audit procedures to detecting irregularities, including fraud. Testing undertaken included making enquiries on the management; journal entry testing; review of contracts and statements; review of bank statements and letters and any correspondence received from regulatory bodies; reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

## Shed Media Limited

### Independent Auditor's Report to the Members of Shed Media Limited (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

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.



.....  
Stewart Jell (Senior Statutory Auditor)  
For and on behalf of Shipleys LLP,

Chartered accountant & Statutory auditor  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

Date: Sep 7, 2021

## Shed Media Limited

### Statement of Income and Retained Earnings for the Year Ended 31 December 2020

	Note	Year ended 31 December 2020 £ 000	Year ended 31 December 2019 £ 000
Income from investments	4	3,280	-
Interest receivable and similar income	5	<u>-</u>	<u>2</u>
<b>Profit on ordinary activities before taxation</b>		3,280	2
Taxation on profit on ordinary activities	6	<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>		3,280	2
Retained earnings at 1 January		28,453	28,451
Dividends paid	10	<u>(3,298)</u>	<u>-</u>
<b>Retained earnings at 31 December</b>		<u><u>28,435</u></u>	<u><u>28,453</u></u>

All amounts relate to continuing operations.

There is no difference between profit for the financial year and total comprehensive income for the year, and accordingly no separate statement of comprehensive income has been presented.

The notes on pages 14 to 21 form an integral part of these financial statements.

# Shed Media Limited

## Statement of Financial Position as at 31 December 2020

	Note	31 December 2020 £ 000	31 December 2019 £ 000
<b>Fixed assets</b>			
Investments	7	<u>28,234</u>	<u>28,234</u>
<b>Current assets</b>			
Cash at bank and in hand		205	223
<b>Creditors: Amounts falling due within one year</b>	8	<u>(1)</u>	<u>(1)</u>
<b>Net current assets</b>		<u>204</u>	<u>222</u>
<b>Net assets</b>		<u>28,438</u>	<u>28,456</u>
<b>Capital and reserves</b>			
Called up share capital	9	3	3
Profit and loss account		<u>28,435</u>	<u>28,453</u>
<b>Total shareholder's funds</b>		<u>28,438</u>	<u>28,456</u>

Approved by the Board and signed on its behalf by:



.....  
W A Ogilvie  
Director

Date: Sep 2, 2021

**Company registration number: 03617464**

The notes on pages 14 to 21 form an integral part of these financial statements.

## **Shed Media Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **1 Accounting policies**

##### ***a) Statement of compliance***

Shed Media Limited is a limited liability company incorporated in England & Wales. The Registered Office is 98 Theobald's Road, London, WC1X 8WB.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2020.

##### ***b) Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and with applicable United Kingdom accounting standards.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

The company has taken advantage of the exemption from the requirement to prepare consolidated financial statements available under s401 of the Companies Act 2006, as it is a wholly-owned subsidiary undertaking of AT&T Inc., a company incorporated in the United States of America, which prepares publicly available consolidated financial statements (see note 12).

##### **Going concern**

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Statement of cash flows**

The company has taken advantage of the exemption in FRS 102.1.12(b) Reduced disclosures for subsidiaries. A statement of cashflows has not been prepared as the company is a member of a group where the parent, AT&T Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 12).

##### **Related parties**

The company has taken advantage of the exemption in FRS 102.1.12(e) Reduced disclosures for subsidiaries. Key management remuneration has not been disclosed as the company is a member of a group where the parent, AT&T Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 12).

The company has taken advantage of the exemption in FRS 102.33.1A not to disclose related party transactions with fellow wholly-owned subsidiary undertakings of AT&T Inc., which prepares publicly available consolidated financial statements (see note 12).



## **Shed Media Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **1 Accounting policies (continued)**

##### ***c) Judgements and key sources of estimation uncertainty***

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Impairment of investments**

The company makes an estimate of the recoverable value of its investments. When assessing impairments of its investments, management considers factors including the current performance and liquidity of the investments, future prospects for the investments, and market conditions.

##### **Taxation**

The company recognises liabilities for anticipated uncertain corporation tax positions based on reasonable estimates of whether additional taxes will be due and the timing of those additional taxes. Further details are contained in note 6.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

##### ***d) Significant accounting policies***

##### **Deferred taxation**

Deferred tax is recognised without discounting in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits.

##### **Interest receivable and payable**

Interest income and expense are recognised on an accruals basis.

##### **Dividend income**

Dividend income is recognised when the right to receive payment is established.

##### **Investments**

Investments are stated at cost less provision for impairments.

#### **2 Operating loss**

The company had no employees in the current or prior year.

Audit fees of £4,000 (2019 - £4,000) were borne by a fellow group undertaking.

#### **3 Directors' remuneration**

The directors of the company are also directors of, and are paid by, other companies in the group in the current and prior year. They have minimal qualifying services to the company and receive no remuneration in respect of the company.

## Shed Media Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 4 Income from Investments

	Year ended 31 December 2020 £ 000	Year ended 31 December 2019 £ 000
Dividends received from group undertakings	3,280	-
	<u>3,280</u>	<u>-</u>

#### 5 Interest receivable and similar income

	Year ended 31 December 2020 £ 000	Year ended 31 December 2019 £ 000
Interest receivable from group undertakings	-	2
	<u>-</u>	<u>2</u>

#### 6 Taxation

a) There is no tax charge based on the results for the current or preceding year.

b) Circumstances affecting total tax charge:

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19% (2019 - 19%).

The tax charge for the year differs from the standard rate for the reasons in the reconciliation below:

	Year ended 31 December 2020 £ 000	Year ended 31 December 2019 £ 000
Profit on ordinary activities before tax	3,280	2
Tax on profit on ordinary activities at standard rate	623	-
Factors affecting charge:-		
Non taxable dividends	(623)	-
Total tax charge/(credit) (see note 6(a) above)	<u>-</u>	<u>-</u>

## Shed Media Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 6 Taxation (continued)

##### c) Factors affecting future tax charges

The Finance Act 2016 included legislation to reduce the main rate of corporation tax rate from 19% to 17% from 1 April 2020. The Finance Act 2020, enacted on 22 July 2020 reversed this rate reduction and the impact is included in these accounts.

The Finance Act 2021, enacted on 10 June 2021, included legislation to increase the rate of Corporation tax to 25% as of 1 April 2023. The proposed rate rise, which was not substantively enacted at the balance sheet date, has no material impact on these or future accounts.

#### 7 Investments

	<b>Investments in subsidiary undertakings £ 000</b>
<b>Subsidiaries</b>	
<b>Cost</b>	
At 31 December 2019	<u>79,281</u>
At 31 December 2020	<u>79,281</u>
<b>Amounts provided</b>	
At 31 December 2019	<u>51,047</u>
At 31 December 2020	<u>51,047</u>
<b>Net book value:</b>	
At 31 December 2020	<u><u>28,234</u></u>
At 31 December 2019	<u><u>28,234</u></u>

During the period, a subsidiary company disposed of its interest in Genealogy Events Limited to a third party. The subsidiary company held 22.5% of the share capital in this company. The consideration for these shares was equal to their nominal value, therefore no gain or loss on disposal was recognised.

During the period, Shed Productions (Extra Time) Limited was dissolved.

## Shed Media Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 7 Investments (continued)

##### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of registration	Holding	Proportion of voting rights and shares held	
			2020	2019
WBTVP UK Pictures Limited (previously Headstrong Pictures Limited)^	England and Wales	Ordinary £1 shares	100%	100%
Twenty Twenty Production Services Limited (previously Twenty Twenty Kids Limited)^	England and Wales	Ordinary £1 shares	100%	100%
WBTVP UK Pictures (WR) Limited (previously Headstrong Pictures (WR) Limited)^	England and Wales	Ordinary £1 shares	100%	100%
Ricochet Limited^	England and Wales	Ordinary £1 shares	100%	100%
Ricochet Productions Limited**	England and Wales	Ordinary £1 shares	100%	100%
Twenty Twenty Productions Limited^	England and Wales	Ordinary £0.01 shares	100%	100%
Twenty Twenty Brighton Limited**	England and Wales	Ordinary £1 shares	100%	100%
Wall to Wall (Holdings) Limited^	England and Wales	Ordinary £0.10 shares	100%	100%
Wall to Wall South Limited**	England and Wales	Ordinary £1 shares	100%	100%
Wall to Wall Media Limited**	England and Wales	Ordinary £1 shares	100%	100%
New Tricks TV Productions Limited**	England and Wales	Ordinary £1 shares	100%	100%
Wall to Wall Television Limited**	England and Wales	Ordinary £1 shares	100%	100%
Wall to Wall Drama Limited**	England and Wales	Ordinary £1 shares	100%	100%

## Shed Media Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 7 Investments (continued)

Shed Media Scotland Limited <sup>^</sup>	England and Wales	Ordinary £1 shares	100%	100%
Watershed Television Limited <sup>^</sup>	England and Wales	Ordinary £1 shares	100%	100%
WBTVPUK WGA Writers Limited <sup>^</sup>	England and Wales	Ordinary £1 shares	100%	100%
Outright Distribution Limited <sup>^</sup>	England and Wales	Ordinary £1 shares	100%	100%
Shed Productions (Jailbirds) Limited <sup>^</sup>	England and Wales	Ordinary £1 shares	100%	100%
Genealogy Events Limited <sup>^^</sup>	England and Wales	Ordinary £1 shares	0%	22.5%
Shed Productions (Extra Time) Limited <sup>^</sup>	England and Wales	Ordinary £1 shares	0%	100%

\* Held (directly or indirectly) by a subsidiary undertaking. Proportion of voting rights and shares held represents the effective holding.

<sup>^</sup> The registered office is Warner House, 98 Theobald's Road, London, WC1X 8WB.

<sup>^^</sup> The registered office is Vineyard House 44 Brook Green Hammersmith, London, W6 7BT.

The principal activity of WBTVPUK Pictures Limited (previously Headstrong Pictures Limited)<sup>^</sup> is TV production

The principal activity of Twenty Twenty Production Services Limited (previously Twenty Twenty Kids Limited)<sup>^</sup> is TV production

The principal activity of WBTVPUK Pictures (WR) Limited (previously Headstrong Pictures (WR) Limited)<sup>^</sup> is TV production

The principal activity of Ricochet Limited<sup>^</sup> is TV production

The principal activity of Ricochet Productions Limited<sup>^^</sup> is TV production

The principal activity of Twenty Twenty Productions Limited<sup>^</sup> is TV production

The principal activity of Twenty Twenty Brighton Limited<sup>^^</sup> is TV production

The principal activity of Wall to Wall (Holdings) Limited<sup>^</sup> is holding company

The principal activity of Wall to Wall South Limited<sup>^^</sup> is TV production

The principal activity of Wall to Wall Media Limited<sup>^^</sup> is TV production

The principal activity of New Tricks TV Productions Limited<sup>^^</sup> is TV production

The principal activity of Wall to Wall Television Limited<sup>^^</sup> is TV production

The principal activity of Wall to Wall Drama Limited<sup>^^</sup> is dormant

The principal activity of Shed Media Scotland Limited<sup>^</sup> is dormant

The principal activity of Watershed Television Limited<sup>^</sup> is TV production

The principal activity of WBTVPUK WGA Writers Limited<sup>^</sup> is TV production

The principal activity of Outright Distribution Limited<sup>^</sup> is dormant

The principal activity of Shed Productions (Jailbirds) Limited<sup>^</sup> is dormant

The principal activity of Genealogy Events Limited<sup>^^</sup> is dormant

The principal activity of Shed Productions (Extra Time) Limited<sup>^</sup> is dissolved

# Shed Media Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

### 8 Creditors: amounts falling due within one year

	31 December 2020 £ 000	31 December 2019 £ 000
Due to group undertakings	<u>1</u>	<u>1</u>

### 9 Called up share capital

	Issued, allotted, called up and fully paid			
	31 December 2020		31 December 2019	
	Number	£ 000	Number	£ 000
Ordinary shares of £0.001 each	<u>2,868,001</u>	<u>3</u>	<u>2,868,001</u>	<u>3</u>

### 10 Dividends

	Year ended 31 December 2020 £ 000	Year ended 31 December 2019 £ 000
Ordinary dividends paid	<u>3,298</u>	<u>-</u>

### 11 Contingent liabilities

The company has entered into a group composite accounting agreement with its bankers. The terms of the agreement permit the bankers, without notice, to draw down funds deposited into the system, and to offset borrowings drawn down from the system by other group members who are also parties to these arrangements. At the statement of financial position date, funds deposited by the company into the system, and potentially at risk to cover liabilities elsewhere in the group, amounted to £205,000 (2019 - £223,000).

### 12 Ultimate parent undertaking

The company's immediate parent undertaking is Warner Bros. Television Production UK Limited.

At 31 December 2020, AT&T Inc., a company incorporated in the United States of America, was the ultimate parent undertaking and the parent undertaking of the smallest and largest group of undertakings of which the company is a member and for which group financial statements are drawn up. Copies of AT&T Inc.'s financial statements can be obtained from 208 S. Akard St, Dallas, TX 75202, USA.

## **Shed Media Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **13 Non adjusting events after the financial period**

On 17 May 2021 the ultimate parent company, AT&T Inc. announced they will combine the Warner Media content unit with Discovery, Inc. Under the agreement, AT&T Inc. will form a new media company with Discovery, Inc., which would be separate from AT&T Inc. This company is part of the Warner Media Group which will form part of the new media company. Whilst the deal has been announced, it is pending approval by the regulators and Discovery shareholders, and is not expected to formally close until the middle of 2022.