

Company registration number: 04207414

Wall to Wall Media Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017



Wall to Wall Media Limited

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Wall to Wall Media Limited

Company Information

Directors	W A Ogilvie L Klein
Registered office	Warner House 98 Theobald's Road London WC1X 8WB
Auditor	Ernst & Young LLP 1 More London Place London SE1 2AF
Banker	Barclays Bank PLC 8/9 Hanover Square London W1A 4ZW

Wall to Wall Media Limited

Strategic Report for the Year Ended 31 December 2017

The directors present their Strategic Report for the year ended 31 December 2017. In preparing this Strategic Report, the directors have complied with section 414c of the Companies Act 2006.

Principal activity

Throughout the year, the company's principal activity continued to be that of television programme production.

Results

The loss for the year after taxation amounted to £481,000 (2016 loss after taxation - £240,000).

Review of the business and KPIs

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

	Unit	2017	2016
Turnover	£'000	24,634	35,787
Gross profit	£'000	5,004	4,460
Operating loss	£'000	(462)	(238)
Operating margin	%	(2)	(1)
Number of employees		134	142

The company's turnover decreased year on year by 31% owing to the decreased number of titles delivered in the year.

The company's gross profit has increased by 12% year on year, which is inconsistent with the decrease in turnover owing to the mix of distribution income, which attracts a higher profit margin, compared to production income, which has a lower profit margin.

An increase in administrative expenses resulted in an increase in operating loss of 94%. The average number of employees fell by 6% year on year.

Principal risks and uncertainties

An analysis of the risks and uncertainties of the Warner Media, LLC (formerly Time Warner Inc.) group are discussed in the group's Annual Report which is publicly available.

The principal risks and uncertainties facing the company 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, feature films, videogames 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.

The company is reliant on major broadcasters for commissions. Although the production market is a competitive one, the directors consider the relationship the company has with the broadcasters along with our brands and reputation enables the company to maintain an edge over our competitors.

Wall to Wall Media Limited

Strategic Report for the Year Ended 31 December 2017 (continued)

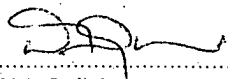
Principal risks and uncertainties (continued)

The company's key financial risk is in foreign currency exposure, both in terms of the cost of producing programmes on overseas shoots and in income received from overseas co-producers. The uncertain nature of the timing of receipts (due to their tendency to be tied to flexible delivery milestones) makes it risky to take out explicit hedging contracts against these risks. As such, the company agrees wherever possible to contractual rates in advance of the start of production and maintains Sterling, Euro and US\$ balances within its bank facilities to fund costs where advantageous.

Service disruptions or failures in information systems and networks as a result of computer viruses or misappropriation of data may disrupt the company's business, damage its reputation or have a negative impact on its results or operations. Although the company develops and maintains information security practices and systems designed to prevent these events occurring, development and maintenance of these systems is costly and is likely to increase as the threats become more sophisticated.

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.

On behalf of the Board


.....
W A Ogilvie
Director

Date: 23 January 2019

Wall to Wall Media Limited

Directors' Report for the Year Ended 31 December 2017

The directors present their annual report on the affairs of Wall to Wall Media Limited ("the company") together with the financial statements for the year ended 31 December 2017.

Dividends

No dividends were paid during the year (2016 - £nil) and the directors do not recommend the payment of a final dividend.

Post balance sheet event

On 14 June 2018, AT&T Inc. acquired the previous ultimate parent undertaking Time Warner Inc. and became the ultimate parent undertaking.

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 (appointed 2 August 2017)

L Klein (appointed 29 September 2017)

P A Campbell-White (resigned 29 September 2017)

N A Emmerson (resigned 30 April 2017)

C E Hungate (resigned 18 July 2017)

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.

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.

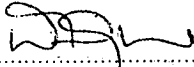
Reappointment of auditors

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

Wall to Wall Media Limited

Directors' Report for the Year Ended 31 December 2017 (continued)

On behalf of the Board



W A Ogilvie
Director

Date: 23 January 2019

Wall to Wall 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.

Wall to Wall Media Limited

Independent Auditor's Report to the Members of Wall to Wall Media Limited

Opinion

We have audited the financial statements of Wall to Wall Media Limited (the 'company') for the year ended 31 December 2017, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, and notes 1 to 17, 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 Financial Reporting Standard 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 2017 and of its loss 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.

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 below. 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.

Wall to Wall Media Limited

Independent Auditor's Report to the Members of Wall to Wall 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 our 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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.

Wall to Wall Media Limited

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

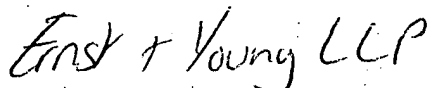
Auditor's responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Stuart Darrington (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 24 January 2017

Wall to Wall Media Limited
Income Statement
for the Year Ended 31 December 2017

	Note	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Turnover	2	24,634	35,787
Cost of sales		<u>(19,630)</u>	<u>(31,327)</u>
Gross profit		5,004	4,460
Administrative expenses		<u>(5,466)</u>	<u>(4,698)</u>
Operating loss	3	(462)	(238)
Interest receivable and similar income	6	<u>19</u>	<u>24</u>
Loss on ordinary activities before taxation		(443)	(214)
Taxation on loss on ordinary activities	7	<u>(38)</u>	<u>(26)</u>
Loss for the financial year		<u><u>(481)</u></u>	<u><u>(240)</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 13 to 23 form an integral part of these financial statements.

Wall to Wall Media Limited

Statement of Changes in Equity for the Year Ended 31 December 2017

	Share capital £ 000	Equity share based payments £ 000	Profit and loss account £ 000	Total shareholder's funds £ 000
At 1 January 2016	-	-	12,815	12,815
Loss for the year	-	-	(240)	(240)
Credit for equity share based payments	-	51	-	51
At 31 December 2016	-	51	12,575	12,626
	Share capital £ 000	Equity share based payments £ 000	Profit and loss account £ 000	Total shareholder's funds £ 000
At 1 January 2017	-	51	12,575	12,626
Loss for the year	-	-	(481)	(481)
Transfers between reserves	-	113	(113)	-
Share based payment transactions	-	-	(245)	(245)
Deferred tax on share based payments	-	19	-	19
At 31 December 2017	-	183	11,736	11,919

Equity-settled share-based payments reserve

This reserve records all current and prior period employee related equity settled share based payment transactions

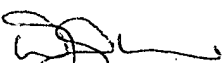
The notes on pages 13 to 23 form an integral part of these financial statements.

Wall to Wall Media Limited

Statement of Financial Position as at 31 December 2017

	Note	31 December 2017 £ 000	31 December 2016 £ 000
Fixed assets			
Intangible assets	8	-	-
Tangible assets	9	-	-
Investments	10	1	1
		<u>1</u>	<u>1</u>
Current assets			
Work in progress	11	6,416	5,162
Debtors	12	8,098	8,170
Cash at bank and in hand		4,956	10,265
		<u>19,470</u>	<u>23,597</u>
Creditors: Amounts falling due within one year	13	<u>(7,529)</u>	<u>(10,972)</u>
Net current assets		<u>11,941</u>	<u>12,625</u>
Total assets less current liabilities		<u>11,942</u>	<u>12,626</u>
Provisions for liabilities	14	<u>(23)</u>	-
Net assets		<u>11,919</u>	<u>12,626</u>
Capital and reserves			
Called up share capital	15	-	-
Equity share-based payments reserve		183	51
Profit and loss account		<u>11,736</u>	<u>12,575</u>
Total shareholder's funds		<u>11,919</u>	<u>12,626</u>

Approved by the Board and signed on its behalf by:



 W A Ogilvie
 Director

Date: 23 January 2019

Company registration number: 04207414

The notes on pages 13 to 23 form an integral part of these financial statements.

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 Accounting policies

a) Statement of compliance

Wall to Wall Media Limited is a limited liability company incorporated in England. 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 2017.

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 Warner Media, LLC (formerly Time Warner Inc.), a company incorporated in the United States of America, which prepares publicly available consolidated financial statements (see note 17).

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, Warner Media, LLC (formerly Time Warner Inc.), prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 17).

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, Warner Media, LLC (formerly Time Warner Inc.), prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 17).

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 Warner Media, LLC (formerly Time Warner Inc.), which prepares publicly available consolidated financial statements (see note 17).

Share based payments

The company has taken advantage of the exemption in FRS 102.1.12(d) Reduced disclosures for subsidiaries. Certain share based payment transactions have not been presented as the company is a member of a group where the parent, Warner Media, LLC (formerly Time Warner Inc.), prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 17).

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (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.

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 7.

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

Turnover

Turnover represents amounts receivable for work carried out in producing television programmes and distribution income on licensing formats and completed programmes available to third parties.

Production income is recognised on episodic delivery of programmes in the period.

Distribution income represents licence fees receivable from both WarnerMedia group companies and third parties. Amounts recognised in the statement of income and retained earnings include withholding tax but exclude Value Added Tax. Distribution income is recognised based on statements received from distributors.

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.

Pensions

The company operates a defined contribution scheme. Contributions payable to the company's pension scheme are charged to the statement of comprehensive income in the period to which they relate.

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

1 Accounting policies (continued)

Share based payments

Certain employees of the company have been granted restricted stock units ("RSUs") in AT&T Inc.. The RSUs vest 50% three years after the date of grant and 50% four years after the date of grant. When the RSUs vest the employee receives shares in AT&T Inc. at no cost to themselves. In accordance with FRS 102.26.16 the company recognises and measures the cost of each RSU on the basis of the allocation of the expense it receives from its ultimate parent undertaking on an annual basis.

Interest receivable and payable

Interest income and expense are recognised on an accruals basis.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entities functional currency by applying the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the income statement.

Investments

Investments are stated at cost less provision for impairments.

Intangible assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life, as follows:

Trademarks - 25% straight-line basis

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment.

The company provides depreciation in equal annual instalments over the estimated lives of the assets at the following rates:

Computer equipment - 33% straight-line basis

Edit suite equipment - 20% straight-line basis

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Work in progress

Work in progress represents production costs associated to undelivered episodes and is stated at the lower of cost and net realisable value.

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2 Turnover

An analysis of turnover by geographical market is given below:

	Year ended 31 December 2017 £'000	Year ended 31 December 2017 %	Year ended 31 December 2016 £'000	Year ended 31 December 2016 %
United Kingdom and Ireland	22,461	91.2%	29,621	82.8%
United States of America and Canada	2,154	8.7%	6,166	17.2%
Rest of World	19	0.1%	-	0%
	<u>24,634</u>	<u>100%</u>	<u>35,787</u>	<u>100%</u>

3 Operating loss

This is stated after charging/(crediting):

	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Foreign exchange loss/ (gain)	<u>147</u>	<u>(69)</u>

Audit fees for the current and prior year were borne by a fellow group undertaking.

4 Directors' remuneration

Certain directors of the company were paid by the company. The other directors of the company were paid by fellow group undertakings; they have minimal qualifying services to the company and receive no remuneration in respect of the company.

	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Aggregate remuneration in respect of qualifying services	86	-
Aggregate company contributions paid to defined contribution pension scheme	<u>3</u>	<u>-</u>
	<u>89</u>	<u>-</u>

	No.	No.
Members of defined contribution pension scheme	<u>1</u>	<u>-</u>

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Wages and salaries	6,051	5,924
Equity-settled share based payments	206	86
Social security costs	691	665
Other pension costs	137	118
	<u>7,085</u>	<u>6,793</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2017 No.	2016 No.
Production	87	109
Administration and support	47	33
	<u>134</u>	<u>142</u>

6 Interest receivable and similar income

	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Intercompany interest	<u>19</u>	<u>24</u>

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

7 Taxation

a) The charge/(credit) based on the profit for the year is made up as follows:

	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Current tax		
Tax under provided in previous years	-	29
Total current tax charge	-	29
Deferred taxation		
Origination and reversal of timing differences	43	(17)
(Credit)/charge due to change in tax rate	(5)	14
Total deferred tax	38	(3)
Total tax on loss on ordinary activities (see note 7(c) below)	38	26

b) Tax included in statement of changes in equity

The tax credit is made up as follows:

	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Deferred tax:		
Deferred tax on share based payments reserve	(19)	-
Total tax in statement of changes in equity	(19)	-

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

7 Taxation (continued)

c) Factors affecting the total tax charge:

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19.25% (2016 - 20%).

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

	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Loss before tax	(443)	(214)
Corporation tax at standard rate	(85)	(43)
Factors affecting the tax charge:		
Disallowable expenses	1	-
Group relief surrendered for nil consideration	127	36
Non-taxable items	-	(10)
Tax under provided in previous years	-	29
Impact of change of rate of tax	(5)	14
Total tax charge (see note 7(a) above)	38	26

d) Deferred tax

Deferred tax is provided at 17% (2016 - 17%) in the statement of financial position as follows:

	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Included in debtors	197	216
	197	216
Analysed as:		
Accelerated capital allowances	14	17
Accelerated film relief	151	184
Short term timing differences	-	6
Share-based payment	32	9
	197	216

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

7 Taxation (continued)

Analysis of movement in deferred tax:

	Total £ 000
At start of period	216
Charged to profit and loss account	(38)
Credited to statement of changes in equity	19
At end of period	<u>197</u>

The net reversal of deferred tax expected to occur in the following year is £30,000. This is due to film amortisation relief and capital allowances.

e) Factors affecting future tax charges

The Finance (No. 2) Act 2015, enacted on 18 November 2015, and the Finance Act 2016, enacted on 15 September 2016, included two changes to the future mainstream corporation tax rate. From 1 April 2017 the rate reduced from 20% to 19% and from 1 April 2020 the rate will reduce to 17%. The effect of these changes on the deferred tax balance is reflected in these accounts.

It is not yet possible to quantify the impact of this rate change upon current tax.

8 Intangible assets

The company holds trademarks which had a net book value of £nil at 31 December 2016 and 31 December 2017.

9 Tangible fixed assets

	Computer and edit suite equipment £ 000
Cost or valuation	
At 31 December 2016 and 31 December 2017	<u>470</u>
Depreciation	
At 31 December 2016 and 31 December 2017	<u>470</u>
Net book value	
At 31 December 2016 and 31 December 2017	<u>-</u>

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

10 Investments

Subsidiaries	£ 000
Cost	
At 31 December 2016 and 31 December 2017	<u>1</u>
Net book value:	
At 31 December 2016 and 31 December 2017	<u>1</u>

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	Registered office	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
New Tricks TV Productions Limited*	England and Wales	Ordinary £1 shares	100%	100%

The principal activity of New Tricks TV Productions Limited* is TV production

* Registered Office: Warner House, 98 Theobald's Road, London WC1X 8WB

11 Work in progress

	31 December 2017 £ 000	31 December 2016 £ 000
Programme production costs	<u>6,416</u>	<u>5,162</u>

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

12 Debtors

	Note	31 December 2017 £ 000	31 December 2016 £ 000
Trade debtors		2,853	2,409
Other debtors		182	175
Prepayments and accrued income		2,183	2,127
Amounts owed by group undertakings		2,400	3,243
Deferred tax asset	7	197	216
VAT receivable		283	-
		<u>8,098</u>	<u>8,170</u>

13 Creditors

	31 December 2017 £ 000	31 December 2016 £ 000
Due within one year		
Trade creditors	225	793
Other payables	-	1
Other taxes and social security costs	145	129
VAT payable	-	124
Group relief payable	-	162
Accruals and deferred income	4,550	6,985
Due to group undertakings	2,609	2,778
	<u>7,529</u>	<u>10,972</u>

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

14 Provisions for liabilities

	National insurance on share options £ 000
Arising during the year	23
At 31 December 2017	23

15 Share capital

Issued, allotted, called up and fully paid

	31 December 2017		31 December 2016	
	No.	£	No.	£
Ordinary shares of £1 each	2	2	2	2

16 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 £4,984,000 (2016 - £14,809,000).

17 Ultimate parent undertaking

The company's immediate parent undertaking is Wall to Wall (Holdings) Limited.

At 31 December 2017, and until 14 June 2018 Time Warner 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.

On 14 June 2018, AT&T Inc., a company incorporated in the United States of America, acquired Time Warner Inc., which was renamed Warner Media, LLC, in a merger transaction that resulted in Warner Media, LLC becoming a direct subsidiary of AT&T Inc., and AT&T Inc. became the ultimate parent undertaking.