

Company registration number: 04207414

Wall to Wall Media Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022



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 United Kingdom WC1X 8WB
Auditor	Shipleys LLP 10 Orange Street London United Kingdom WC2H 7DQ
Banker	Barclays Bank PLC 1 Churchill Place London United Kingdom E14 5HP

Wall to Wall Media Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their Strategic Report for the year ended 31 December 2022. 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

Profit for the year after taxation amounted to £392,000 (2021 loss after taxation - £104,000).

Review of the business and KPIs

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

	Unit	2022	2021
Turnover	£'000	40,550	22,751
Gross profit	£'000	3,949	3,809
Operating profit/(loss)	£'000	295	(110)
Operating margin	%	1	(1)
Number of employees		319	123

The company's turnover and gross profit have increased year on year by 78% and 4%, respectively, due to an increase in production and license fee revenue with an increase in the number of television programmes delivered in 2022.

An increase in gross profit has resulted in an increase in operating profit increase of 368%.

The average number of employees increased by 159% year on year due to an increase in production in 2022.

Wall to Wall Media Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Principal risks and uncertainties

An analysis of the risks and uncertainties of the Warner Bros. Discovery, Inc. group of which the company was a member 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 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.

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.

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.

On behalf of the Board



.....
W A Ogilvie
Director

Date: 24-Aug-2023

Wall to Wall Media Limited

Directors' Report for the Year Ended 31 December 2022

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 2022.

Dividends

No dividends were paid during the year (2021 - £nil).

Ownership change

On 8 April 2022, the then ultimate parent company, AT&T Inc. combined the Warner Media content unit with Discovery Inc. Under the agreement, this formed a new media company called Warner Bros. Discovery, Inc. which is separate from AT&T Inc.

Going concern

The directors have reviewed the current financial performance and position of the company and are confident that it will not lead to the company no longer being a going concern. In the unlikely event that it is not possible for the company to meet its liabilities as they fall due and also due to the centralised cash pooling arrangements, the ultimate parent company Warner Bros. Discovery, Inc. has agreed to provide continued financial support to the company for the foreseeable future, for 12 months from the date of approval of the financial statements, to meet its obligations as and when they fall due.

Taking into account the position of the ultimate parent company, the directors are of the view that there are no events expected to have a material adverse impact on the company's ability to continue as a going concern, for a period of 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Directors of the company

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
L Klein

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. Warner Bros. Discovery, 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.

Wall to Wall Media Limited

Directors' Report for the Year Ended 31 December 2022 (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

Ernst & Young LLP resigned as auditor on 26 September 2022 and Shipleys LLP were appointed as the company's auditor pursuant to a resolution of the sole shareholder on 23 January 2023.

The financial statements on pages 11 to 24 were approved by the Board of Directors on the date noted below and signed on its behalf by



.....
W A Ogilvie
Director

Date: 24-Aug-2023

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 comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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 2022, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, and notes 1 to 16, 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 2022 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 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 have 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 and 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

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.
- 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.

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

- 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
Stewart Jell (Sep 6, 2023 15:00 GMT+1)

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

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

Date: 06-Sep-2023

Wall to Wall Media Limited

Income Statement for the Year Ended 31 December 2022

		Year ended 31 December 2022 £ 000	Year ended 31 December 2021 £ 000
	Note		
Turnover	2	40,550	22,751
Cost of sales		<u>(36,601)</u>	<u>(18,942)</u>
Gross profit		3,949	3,809
Administrative expenses		<u>(3,654)</u>	<u>(3,919)</u>
Operating profit/(loss)	3	295	(110)
Interest receivable and similar income	6	117	-
Interest payable and similar expenses	7	<u>-</u>	<u>(2)</u>
Profit/(loss) on ordinary activities before taxation		412	(112)
Taxation on profit/(loss) on ordinary activities	8	<u>(20)</u>	<u>8</u>
Profit/(loss) for the financial year		<u>392</u>	<u>(104)</u>

All amounts relate to continuing operations.

There is no difference between loss 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 24 form an integral part of these financial statements.

Wall to Wall Media Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £ 000	Profit and loss account £ 000	Total shareholder's funds £ 000
At 1 January 2021	-	14,281	14,281
Loss for the year	-	(104)	(104)
Increase in equity related to equity settled share base payment transaction	-	207	207
At 31 December 2021	<u>-</u>	<u>14,384</u>	<u>14,384</u>

	Share capital £ 000	Profit and loss account £ 000	Total shareholder's funds £ 000
At 1 January 2022	-	14,384	14,384
Profit for the year	-	392	392
Increase in equity related to equity settled share based payment transaction	-	56	56
At 31 December 2022	<u>-</u>	<u>14,832</u>	<u>14,832</u>

The notes on pages 14 to 24 form an integral part of these financial statements.

Wall to Wall Media Limited

Statement of Financial Position as at 31 December 2022

	Note	31 December 2022 £ 000	31 December 2021 £ 000
Fixed assets			
Intangible assets	9	-	-
Tangible assets		-	-
Investments	10	<u>1</u>	<u>1</u>
		<u>1</u>	<u>1</u>
Current assets			
Work in progress	11	21,262	9,560
Debtors	12	12,928	9,577
Cash at bank and in hand		<u>8,772</u>	<u>10,273</u>
		42,962	29,410
Creditors: Amounts falling due within one year	13	<u>(28,131)</u>	<u>(15,027)</u>
Net current assets		<u>14,831</u>	<u>14,383</u>
Net assets		<u>14,832</u>	<u>14,384</u>
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account		<u>14,832</u>	<u>14,384</u>
Total shareholder's funds		<u>14,832</u>	<u>14,384</u>

Approved by the Board and signed on its behalf by:



.....
W A Ogilvie
Director

Date: 24-Aug-2023

Company registration number: 04207414

The notes on pages 14 to 24 form an integral part of these financial statements.

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 Accounting policies

a) Statement of compliance

Wall to Wall Media Limited is a private limited 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 2022.

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 Bros. Discovery, Inc., a company incorporated in the United States of America, which prepares publicly available financial statements (see note 16).

Going concern

The directors have reviewed the current financial performance and position of the company and are confident that it will not lead to the company no longer being a going concern. In the unlikely event that it is not possible for the company to meet its liabilities as they fall due and also due to the centralised cash pooling arrangements, the ultimate parent company Warner Bros. Discovery, Inc. has agreed to provide continued financial support to the company for the foreseeable future, for 12 months from the date of approval of the financial statements, to meet its obligations as and when they fall due.

Taking into account the position of the ultimate parent company, the directors are of the view that there are no events expected to have a material adverse impact on the company's ability to continue as a going concern, for a period of 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

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 transaction disclosures have not been presented as the company is a member of a group where the ultimate parent, Warner Bros. Discovery, Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 16).

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

b) Basis of preparation (continued)

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 ultimate parent, Warner Bros. Discovery, Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 16).

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 ultimate parent, Warner Bros. Discovery, Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 16).

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 Bros. Discovery, Inc., which prepares publicly available consolidated financial statements (see note 16).

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 8.

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 Warner Bros. Discovery, Inc. 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.

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

d) Significant accounting policies (continued)

Share based payments

Certain employees of the company received nonvested stock and stock units under historic AT&T Inc. plans. Following the combination of the Warner Media content unit with Discovery, Inc. restricted stock units issued under AT&T Inc. plans were converted to Warner Bros. Discovery, Inc. share units that will be distributed in the form of Warner Bros. Discovery, Inc. common stock. The shares will vest over a period of one to four years in accordance with the terms of those plans. Outstanding AT&T Inc. stock options were unchanged, with holders retaining AT&T Inc. stock and receiving additional Warner Bros. Discovery, Inc. shares. Future grants to eligible employees will be issued under Warner Bros. Discovery, Inc. plans.

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.

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 with undelivered episodes and is stated at the lower of cost and net realisable value.

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 2022 (continued)

1 Accounting policies (continued)

d) Significant accounting policies (continued)

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.

Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments. The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Basic financial liabilities including trade and other payables and interest bearing loans and borrowing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at present value of the future payments discounted at a market rate of interest. Basic financial liabilities, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the income statement. Short term trade and other payables with no stated interest rate which are payable within one year are recorded at transaction price.

Basic financial assets including trade and other receivables and investments in loan notes are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. These basic financial assets, other than short term receivables, are subsequently carried at amortised cost using the effective interest method. Short term trade and other receivables with no stated interest rate which are receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Operational restructuring costs

Operational restructuring costs are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Turnover

An analysis of turnover by geographical market is given below:

	Year ended 31 December 2022 £ 000	Year ended 31 December 2022 %	Year ended 31 December 2021 £ 000	Year ended 31 December 2021 %
United Kingdom and Ireland	34,222	84.4%	19,880	87.4%
United States of America and Canada	6,242	15.4%	2,811	12.4%
Rest of World	86	0.2%	60	0.2%
	<u>40,550</u>	<u>100%</u>	<u>22,751</u>	<u>100%</u>

3 Operating profit/(loss)

This is stated after charging/(crediting):

	Year ended 31 December 2022 £ 000	Year ended 31 December 2021 £ 000
Foreign exchange gain	(673)	(101)
Operational restructuring costs	<u>11</u>	<u>217</u>

Audit fees of £27,500 (2021 - £88,000) 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 2022 £ 000	Year ended 31 December 2021 £ 000
Aggregate remuneration in respect of qualifying services	<u>306</u>	<u>340</u>
	2022 No.	2021 No.
Members in defined contribution scheme	<u>1</u>	<u>1</u>

During the year, 1 director (2021: 1) had restricted stock units that vested in the ultimate parent undertaking.

The emoluments of the highest paid director were the same as the total directors' emoluments as shown above.

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

5 Staff costs

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

	Year ended 31 December 2022 £ 000	Year ended 31 December 2021 £ 000
Wages and salaries	9,902	6,762
Equity-settled share based payments	56	207
Operational restructuring costs	11	217
Social security costs	1,161	782
Other pension costs	221	163
	<u>11,351</u>	<u>8,131</u>

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

	2022 No.	2021 No.
Production	275	84
Administration and support	44	39
	<u>319</u>	<u>123</u>

6 Interest receivable and similar income

	Year ended 31 December 2022 £ 000	Year ended 31 December 2021 £ 000
Interest receivable from group undertakings	<u>117</u>	<u>-</u>

7 Interest payable and similar expenses

	Year ended 31 December 2022 £ 000	Year ended 31 December 2021 £ 000
Interest payable to group undertakings	<u>-</u>	<u>2</u>

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Taxation

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

	Year ended 31 December 2022 £ 000	Year ended 31 December 2021 £ 000
Deferred taxation		
Origination and reversal of timing differences	15	19
Effect of changes in tax rates	<u>5</u>	<u>(27)</u>
Total deferred tax	<u>20</u>	<u>(8)</u>
Total tax per income statement	<u>20</u>	<u>(8)</u>

b) Circumstances affecting the total tax charge/(credit):

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19% (2021 - 19%).

The tax charge/(credit) for the year differs from the standard rate for the reasons in the reconciliation below:

	Year ended 31 December 2022 £ 000	Year ended 31 December 2021 £ 000
Profit/(loss) for the period	<u>412</u>	<u>(112)</u>
Tax on profit/(loss) at standard UK tax rate of 19% (2021: 19%)	78	(21)
Factors affecting the tax charge/(credit):		
Expenses not deductible	11	1
Group relief surrendered / (claimed) for nil consideration	(13)	31
Tax rate changes	5	(27)
Share options	<u>(61)</u>	<u>8</u>
Tax charge/(credit) for the period	<u>20</u>	<u>(8)</u>

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Taxation (continued)

c) Deferred tax:

Deferred tax is provided at 25% (2021 - 19%) in the statement of financial position as follows:

	Year ended 31 December 2022 £ 000	Year ended 31 December 2021 £ 000
Included in debtors	90	110
	<u>90</u>	<u>110</u>
Analysed as:		
Accelerated capital allowances	8	10
Accelerated film relief	82	100
	<u>90</u>	<u>110</u>
Analysis of movement in deferred tax:		
		Total £ 000
At start of period		110
Deferred tax charge to income statement for the period		<u>(20)</u>
At end of period		<u>90</u>

The net reversal of deferred tax expected to occur in the following year is £15,000. This is due to film amortisation relief and capital allowance.

d) Factors affecting future tax charges:

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 has no material impact on these or future accounts.

9 Intangible assets

The company holds trademarks which had a net book value of £nil at 31 December 2022 and 31 December 2021.

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

10 Investments

Subsidiaries	£ 000
Cost	
At 31 December 2021 and 31 December 2022	<u>1</u>
Net book value:	
At 31 December 2021 and 31 December 2022	<u><u>1</u></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	Country of registration	Holding	Proportion of voting rights and shares held	
			2022	2021
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 2022 £ 000	31 December 2021 £ 000
Programme production costs	<u>21,262</u>	<u>9,560</u>

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

12 Debtors

	Note	31 December 2022 £ 000	31 December 2021 £ 000
Due within one year			
Trade debtors		5,234	1,420
Other debtors		348	1,145
Prepayments and accrued income		1,293	660
Amounts owed by group undertakings		5,963	6,242
Deferred tax asset	8	<u>90</u>	<u>110</u>
		<u>12,928</u>	<u>9,577</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

13 Creditors

	31 December 2022 £ 000	31 December 2021 £ 000
Due within one year		
Trade creditors	894	1,138
Other payables	668	656
Other taxes and social security costs	151	168
VAT payable	1,532	522
Accruals and deferred income	22,980	12,027
Due to group undertakings	<u>1,906</u>	<u>516</u>
	<u>28,131</u>	<u>15,027</u>

Amounts due to group undertaking are unsecured, interest free and repayable on demand.

14 Called up share capital

Issued, allotted, called up and fully paid

	31 December 2022 No.	£	31 December 2021 No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Wall to Wall Media Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 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 £10,304,000 (2021 - £12,026,000).

16 Ultimate parent undertaking

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

Up until 8 April 2022, the company's ultimate parent undertaking was, AT&T Inc., a company incorporated in the United States of America. Copies of AT&T Inc.'s financial statements can be obtained from 208 S. Akard St, Dallas, TX 75202, USA.

From 8 April 2022, the ultimate parent undertaking is Warner Bros. Discovery, Inc. Copies of Warner Bros. Discovery, Inc.'s financial statements can be obtained from 230 Park Avenue South, New York City, New York, USA.