

Company registration number: 04867396

Twenty Twenty Production Services Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



Twenty Twenty Production Services Limited

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Twenty Twenty Production Services Limited

Company Information

Directors	W A Ogilvie R Goes
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

Twenty Twenty Production Services Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their annual report on the affairs of Twenty Twenty Production Services Limited ("the company") together with the financial statements for the year ended 31 December 2019.

Results and dividends

Profit for the year after taxation amounted to £1,000 (2018 - profit of £22,000).

No dividends were paid during the year (2018 - £nil).

Principal activity

The principal activity of the company is television production, for which it receives television production fees.

Going Concern

The directors have reviewed the current financial performance and position of the company and 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 contracts with others in the group and its activities are fully funded under those contracts, and in the unlikely event that it is not possible for the company to meet their liabilities as they fall due, the ultimate parent company AT&T Inc. has agreed to provide continued financial support to the company for the foreseeable future to meet its obligations as and when they fall due, for a minimum of 12 months from the date of these financial statements, to the extent that the company is unable to meet its liabilities.

AT&T Inc. released its half year 2020 results on 23 July 2020, which demonstrates the group has generated an EBITDA of US\$25,525m. Based on this information and on enquiry the directors believe that the ultimate parent company, AT&T Inc. has the ability to provide financial support to the company for the foreseeable future if the need arises.

As a result, 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. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Directors of the company

The directors who held office during the year were as follows:

W A Ogilvie

E J Willis (resigned 31 August 2019)

R Goes (resigned 1 April 2019 and reappointed 11 September 2019)

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.

Twenty Twenty Production Services Limited

Directors' Report for the Year Ended 31 December 2019 (continued)

Disclosure of information to the auditor

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.

Important non adjusting events after the financial period

Subsequent to the company's 31 December 2019 financial year end, the COVID-19 outbreak was declared a pandemic by the World Health Organisation, in March 2020. Governments, the UK government among them, have imposed restrictions to reduce the risk of further spread of the disease - closing borders, ordering home quarantine and cancelling public events.

The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the company's business. For the filmed entertainment sector, the main COVID-19 impact has been the shutdown of all production activity. National and industry guidelines for the return to normality remain uncertain and under ongoing consideration, but the expectation is that some restrictions will remain in place, both across the country and internationally, for a prolonged period.

The scale and duration of these developments remain uncertain as at the date of this report, however it is the expectation of management that any impacts will be short-term on the company's cash flow and they will not have a long-term impact on the company's earnings or financial position. It is not possible to estimate the impact of the effects of governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the company.

The directors have assessed the impact of COVID-19 on the company, including a review of the customer base, customer contract terms and cash collection; procurement and supply chain; operations; staff working arrangements and capacity. At present, the directors believe that the company is well placed to continue without significant adverse operational or financial impact.

The financial statements have been prepared based upon the conditions existing at the 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after the 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to the financial statements as at 31 December 2019 for the impacts of COVID-19.

There were no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, or the results of those operations or the state of affairs of the company in future financial years.

Twenty Twenty Production Services Limited

Directors' Report for the Year Ended 31 December 2019 (continued)

Auditor

The Board of Directors recommended that Shipleys LLP be appointed to replace Ernst & Young LLP as the external auditor of the Company commencing with the financial year ending on 31 December 2020. This appointment is subject to shareholder approval. Ernst & Young LLP had confirmed their intention to resign upon completion of the audit for the financial year ending on 31 December 2019.

Small companies' exemption

In preparing the Directors' Report, the directors have taken advantage of the small companies' exemption under section 415(A) of the Companies Act 2006. The directors have also taken the exemption under section 414(B) not to prepare a Strategic Report.

On behalf of the Board



.....
W A Ogilvie
Director

Date: Nov 5, 2020

Twenty Twenty Production Services Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the 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; and
- make judgements and estimates that are reasonable and prudent.

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.

Twenty Twenty Production Services Limited

Independent Auditor's Report to the Members of Twenty Twenty Production Services Limited

Opinion

We have audited the financial statements of Twenty Twenty Production Services Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, and notes 1 to 11, 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 company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Emphasis of matter - Effects of COVID-19

We draw attention to Note 1(b) and Note 11 of the financial statements, which describe the impact on the Company of COVID-19 in its operations and assessment of going concern. Our opinion is not modified in respect of this matter.

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.

Twenty Twenty Production Services Limited

Independent Auditor's Report to the Members of Twenty Twenty Production Services 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 the 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 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; or
- the directors were not entitled to take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Twenty Twenty Production Services Limited

Independent Auditor's Report to the Members of Twenty Twenty Production Services Limited (continued)

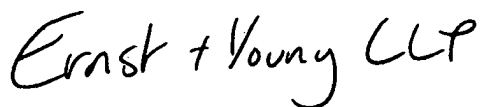
Auditor's responsibilities for the audit of the financial statements

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: 06 November 2020

Twenty Twenty Production Services Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2019

	Note	Year ended 31 December 2019 £ 000	Year ended 31 December 2018 £ 000
Turnover	2	2	48
Cost of sales		<u>-</u>	<u>(1)</u>
Gross profit		2	47
Administrative expenses		<u>(1)</u>	<u>(3)</u>
Operating Profit	3	1	44
Interest payable and similar charges		<u>-</u>	<u>(22)</u>
Profit on ordinary activities before taxation		1	22
Taxation on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Profit for the financial year		1	22
Retained earnings at 1 January		<u>158</u>	<u>136</u>
Retained earnings at 31 December		<u><u>159</u></u>	<u><u>158</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 11 to 15 form an integral part of these financial statements.

Twenty Twenty Production Services Limited

Statement of Financial Position as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Current assets			
Debtors	6	3,308	3,694
Cash at bank and in hand		<u>6</u>	<u>-</u>
		3,314	3,694
Creditors: amounts falling due within one year	7	<u>(3,155)</u>	<u>(3,536)</u>
Net assets		<u>159</u>	<u>158</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account		<u>159</u>	<u>158</u>
Total shareholder's funds		<u>159</u>	<u>158</u>

Approved by the director



.....
W A Ogilvie
Director

Date: Nov 5, 2020

Company registration number: 04867396

The notes on pages 11 to 15 form an integral part of these financial statements.

Twenty Twenty Production Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 Accounting policies

a) Statement of compliance

Twenty Twenty Production Services 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 2019.

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.

Going Concern

The directors have reviewed the current financial performance and position of the company and 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 contracts with others in the group and its activities are fully funded under those contracts, and in the unlikely event that it is not possible for the company to meet their liabilities as they fall due, the ultimate parent company AT&T Inc. has agreed to provide continued financial support to the company for the foreseeable future to meet its obligations as and when they fall due, for a minimum of 12 months from the date of these financial statements, to the extent that the company is unable to meet its liabilities.

AT&T Inc. released its half year 2020 results on 23 July 2020, which demonstrates the group has generated an EBITDA of US\$25,525m. Based on this information and on enquiry the directors believe that the ultimate parent company, AT&T Inc. has the ability to provide financial support to the company for the foreseeable future if the need arises.

As a result, 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. Accordingly, they continue to adopt the going concern basis in preparing these 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 10).

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 10).

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 10).

Twenty Twenty Production Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (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 5.

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 the production of television programmes. Amounts recognised in the statement of income and retained earnings include withholding tax but exclude Value Added Tax.

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.

2 Turnover

The company's turnover was derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating (loss)/profit

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

Audit fees of £5,500 (2018 - £4,500) for the year were borne by a fellow group undertaking.

4 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.

Twenty Twenty Production Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

5 Taxation

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

b) 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% (2018 - 19%).

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

	Year ended 31 December 2019 £ 000	Year ended 31 December 2018 £ 000
Profit before tax	1	22
Tax on profit on ordinary activities at standard rate	-	4
Factors affecting charge:		
Television tax relief	-	(4)
Total tax (see note 5(a) above)	-	-

c) Factors affecting future tax charges

The Finance Act 2016 included legislation to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020. The effect of these changes on the deferred tax balance is reflected in these accounts. In the 2020 Budget, it was announced that the reduction to 17% will not now take place. This change became substantively enacted on 17 March 2020 when the Budget Resolution was passed and was enacted when the Finance Act 2020 was given Royal Assent on 22 July 2020.

6 Debtors

	2019 £ 000	2018 £ 000
Other debtors	3,196	3,058
Prepayments and accrued income	-	68
Amounts owed by group undertakings	-	346
VAT receivable	112	220
Other taxes and social security costs	-	2
	<u>3,308</u>	<u>3,694</u>

Twenty Twenty Production Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

7 Creditors

	31 December 2019 £ 000	31 December 2018 £ 000
Due within one year		
Bank overdraft	-	2,304
Trade creditors	18	45
Accruals and deferred income	2	2
Due to group undertakings	3,135	1,185
	<u>3,155</u>	<u>3,536</u>

8 Called up share capital

Issued, allotted, called up and fully paid

	31 December 2019		31 December 2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

9 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 £527,000 (2018 - £nil).

10 Ultimate parent undertaking

The company's immediate parent undertaking is Shed Media Limited.

At 31 December 2019, 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.

Twenty Twenty Production Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

11 Non adjusting events after the financial period

Subsequent to the company's 31 December 2019 financial year end, the COVID-19 outbreak was declared a pandemic by the World Health Organisation, in March 2020. Governments, the UK government among them, have imposed restrictions to reduce the risk of further spread of the disease - *closing borders, ordering home quarantine and cancelling public events.*

The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the company's business. For the filmed entertainment sector, the main COVID-19 impact has been the shutdown of all production activity. National and industry guidelines for the return to normality remain uncertain and under ongoing consideration, but the expectation is that some restrictions will remain in place, both across the country and internationally, for a prolonged period.

The scale and duration of these developments remain uncertain as at the date of this report, however it is the expectation of management that any impacts will be short-term on the company's cash flow and they will not have a long-term impact on the company's earnings or financial position. It is not possible to estimate the impact of the effects of governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the company.

The directors have assessed the impact of COVID-19 on the company, including a review of the customer base, customer contract terms and cash collection; procurement and supply chain; operations; staff working arrangements and capacity. At present, the directors believe that the company is well placed to continue without significant adverse operational or financial impact.

The financial statements have been prepared based upon the conditions existing at the 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after the 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to the financial statements as at 31 December 2019 for the impacts of COVID-19.

There were no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, or the results of those operations or the state of affairs of the company in future financial years.