

Company registration no:

03263290

# Warner Village Trustees Limited

## Report and Financial Statements

31 December 2011

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# **Warner Village Trustees Limited**

**Company registration no**      **03263290**

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## **Directors**

S L Driscoll  
M Emanuele  
S W Mertz  
S Phillipson

## **Secretary**

D Bisoni

## **Registered Office**

Warner House  
98 Theobald's Road  
London  
WC1X 8WB

## **Auditor**

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

# Warner Village Trustees Limited

## Directors' report

Registered number: 03263290

The directors present their annual report on the affairs of Warner Village Trustees ("the company") together with the financial statements for the year ended 31 December 2011

### Results and dividends

The company made no profit or loss in the current or prior year. On 3 March 2011, the 'C' redeemable preference shares were redeemed by the company (see note 5)

No dividend was paid during the year (2010 - £nil) and the directors do not recommend the payment of a final dividend (2010 - £nil)

### Principal activity

The company acts as a bare trustee for group and related parties

### 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

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

D Bisoni (resigned 1 September 2011)  
G W Burke (resigned 1 September 2011)  
P S Leggo (resigned 1 September 2011)  
M Emanuele  
M L Ochs (resigned 1 March 2011)  
K Senior (resigned 24 February 2011)  
S W Mertz  
S L Driscoll  
S Philipson (appointed 1 September 2011)

Except as noted above, all directors served throughout the period and are still directors at the date of this report

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. Time Warner 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 period and is in force as at the date of approving the Directors' Report

### 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 ought to have taken as a director in order to make himself 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 s418 of the Companies Act 2006

### Auditor

In accordance with section 487 of the Companies Act 2006, a resolution to dispense with the requirement to appoint the auditor annually was passed on 10 March 2010, and accordingly Ernst & Young LLP will be deemed to be reappointed as auditor

### 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

On behalf of the Board

  
M Emanuele

Director

Date

31 July 2012

## **Warner Village Trustees Limited**

### **Statement of directors' responsibilities in respect of the financial statements**

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

The directors are responsible for keeping 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.

# Warner Village Trustees Limited

## Independent auditor's report

to the members of Warner Village Trustees Limited

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We have audited the financial statements of Warner Village Trustees Limited for the year ended 31 December 2011 which comprise the Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matters prescribed by the Companies Act 2006

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report.

*Ernst & Young LLP*

Neil Cullum (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

Date 31/7/2012

## Warner Village Trustees Limited

### Balance sheet at 31 December 2011

	Notes	31 December 2011 £	31 December 2010 (restated) £
<b>Current assets</b>			
Debtors	4	2	4
Creditors amounts falling due within one year	5	-	(2)
<b>Net assets</b>		<u>2</u>	<u>2</u>
<b>Capital and reserves</b>			
Called up share capital	6	2	2
Profit and loss account	7	-	-
<b>Total shareholders' funds</b>	7	<u>2</u>	<u>2</u>

Approved by the Board and signed on its behalf by



M Emanuele  
Director

Date 31 July 2012

# Warner Village Trustees Limited

## Notes to the financial statements

at 31 December 2011

### 1 Accounting policies

#### Basis of preparation

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

#### Going concern

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

#### Statement of cash flows

The company did not prepare a statement of cash flows as there were no cash based transactions during the period

#### Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if

- 1 There is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable, and
- 2 The instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the company exchanging a fixed amount of cash or other assets for a fixed number of the company's own equity instruments

When shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet, measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature.

The remainder of the proceeds on issue is allocated to the equity component and included in shareholders' equity, net of transaction costs. The carrying amount of the equity component is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and the equity components of the shares based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

### 2 Directors' emoluments

The directors received no remuneration from the company for their services to the company during the year (2010 - £nil). The directors of the company were paid by fellow group undertakings.

### 3 Profit and loss account

Audit fees for the year ended 31 December 2011 were borne by a fellow group undertaking. The company was exempt from audit in 2010.

The company has not traded during the period and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

There were no employees during the year (2010 - none).

### 4 Debtors

	31 December 2011 £	31 December 2010 £
Amounts owed by group undertakings	2	4

### 5 Creditors - amounts falling due within one year

	31 December 2011 £	31 December 2010 (restated) £
'C' redeemable preference shares of £1 each	-	2

The preference shares are redeemable at the option of the company at any time after 31 December 2003 in accordance with the Articles of Association by giving notice to the holder in writing. On providing the notice the company is bound to redeem the shares within 14 days. The 'C' redeemable preference shares carry a fixed dividend of 2% per annum and an additional dividend based on the profits of each financial year of the company. The dividend rights are cumulative and have priority over the other classes of share capital.

On a winding-up of the company, the rights to return of capital shall be with priority to the preference shares over the other classes of shares. The holders of the preference shares are not, however, entitled to any further right of participation in the assets of the company.

During the year, the 'C' redeemable preference shares were reclassified as financial liabilities falling due within one year. On 3 March 2011, the 'C' preference shares were redeemed at par value.

## Warner Village Trustees Limited

### Notes to the financial statements

at 31 December 2011

#### 6 Share capital

	31 December 2011	31 December 2010 (restated)
	£	£
<i>Issued, allotted, called up and fully paid</i>		
A' ordinary shares of £1 each	1	1
B' ordinary shares of £1 each	1	1
	<u>2</u>	<u>2</u>

The 'A' and 'B' ordinary shares rank in pari-passu apart from voting rights where 'A' and 'B' shares carry 51% and 49% of votes respectively at a board meeting

#### 7 Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 31 December 2010	4	-	4
Restatement (see note 5)	(2)	-	(2)
At 31 December 2010, as restated	<u>2</u>	<u>-</u>	<u>2</u>
Results for the financial year	-	-	-
At 31 December 2011	<u>2</u>	<u>-</u>	<u>2</u>

#### 8 Related party transactions

At the balance sheet date, amounts due from Warner Bros Theatres (Holdings) Limited amounted to £1 (2010 - £3) and Village Roadshow Investments UK Limited £1 (2010 - £1) respectively in relation to called up share capital Warner Bros Theatres (Holdings) Limited and Village Roadshow Investments UK Limited are shareholders of the company

#### 9 Ultimate parent undertaking

The company's immediate parent undertaking is Warner Bros Theatres (Holdings) Limited, a company registered in England and Wales

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

At 31 December 2011, Time Warner Inc, a company incorporated in the United States of America, was the ultimate parent undertaking and the parent undertaking of the largest group of undertakings of which the company is a member and for which group financial statements are drawn up Copies of Time Warner Inc's financial statements can be obtained from One Time Warner Center, New York, NY 10019, USA

#### 10 Post balance sheet event

On 24 May 2012, Village Roadshow Investments UK Limited transferred its entire shareholding to Village Roadshow UK Holdings Pty Limited