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A&E Television Networks (UK) Limited

Report and Financial Statements

30 June 2009

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COMPANIES HOUSE

A&E Television Networks (UK) Limited

Directors

S Ronson
S Benson

Secretary

S Benson

Auditors

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

Registered Office

400 Capability Green
Luton
Bedfordshire LU1 3AE

Directors' report

The directors present their report and financial statements for the year ended 30 June 2009

Results and dividends

The profit for the year amounted to £496,983 (2008 – profit of £249,284) An interim dividend of £250,000 was paid during the year The directors do not recommend the payment of a final dividend

Principal activities and review of the business

The company's principal activity during the year ended 30 June 2009 was that of an investment holding company The company continued to own 50% of the joint venture with BSkyB History Limited in AETN UK (formerly The History Channel (UK))

Directors

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

S Ronson
S Benson (appointed 10 October 2008)
R Canonaco (resigned 10 October 2008)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

Small companies exemption

In preparing this 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



S Benson
Director

17 SEP 2010

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 judgements and estimates that are reasonable and prudent, 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 proper 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.

Independent auditor's report

to the members of A&E Television Networks (UK) Limited

We have audited the financial statements of A&E Television Networks (UK) Limited for the year ended 30 June 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 auditors

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 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 (APB'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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 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.

Opinion on other matter 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.

Independent auditor's report

to the members of A&E Television Networks (UK) Limited

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 prepare the Directors' Report in accordance with the small companies exemption

Ernst & Young LLP

Michael Wansbury (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

22 September 2010

Profit and loss account

for the year ended 30 June 2009

	2009	2008
<i>Notes</i>	<i>£</i>	<i>£</i>
Administration expenses	(3,057)	(620)
Dividend income	500,000	250,000
Bank interest receivable	40	86
Interest payable	4	(182)
	<hr/>	<hr/>
<i>Profit on ordinary activities before taxation</i>	496,983	249,284
Tax on profit on ordinary activities	5	-
	<hr/>	<hr/>
<i>Profit for the financial year</i>	10 496,983	249,284
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Statement of total recognised gains and losses

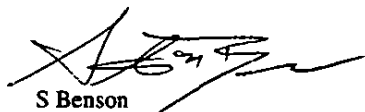
for the year ended 30 June 2009

There are no recognised gains or losses other than the profit of £496,983 attributable to the shareholders for the year ended 30 June 2009 (2008 – profit of £249,284)

Balance sheet

at 30 June 2009

	Notes	2009 £	2008 £
Fixed assets			
Investments	6	50,000	50,000
Current assets			
Cash at bank		500,166	250,683
Creditors: amounts falling due within one year	7	(8,415)	(5,915)
Net current assets		491,751	244,768
Total assets less current liabilities		541,751	294,768
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	541,651	294,668
Shareholders' funds	10	541,751	294,768


S Benson
Director

17 SEP 2010

Notes to the financial statements

at 30 June 2009

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Going concern

The financial statements have been prepared on a going concern basis. The directors have no reason to believe that the company will not have sufficient resources to meet its liabilities in the future.

Statement of cash flows

The company has taken advantage of the concession in FRS 1 "statement of cash flows" which exempts a company from the requirement to prepare a statement of cash flows on the grounds that the company is small as defined in companies' legislation.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate 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 balance sheet date.

All differences are taken to the profit and loss account.

Investments

The investments are valued at cost unless, in the directors' opinion, there is any impairment in the carrying value.

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

2. Auditor's remuneration

Auditor's remuneration has been borne by another group undertaking in both the current and prior years.

3. Staff costs

There were no employees in the company, other than the directors. None of the directors received any remuneration for services to the company during the current and prior year.

Notes to the financial statements

at 30 June 2009

4. Interest payable

	2009	2008
	£	£
Other interest	–	182
	<u>–</u>	<u>182</u>

5. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2009	2008
	£	£
<i>Current tax</i>		
UK corporation tax on the profit for the year	–	–
Adjustment in respect of prior years	–	–
Current tax charge (note 5(b))	<u>–</u>	<u>–</u>

(b) Factors affecting current tax

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 28% (2008 – 29.5%). The differences are reconciled below

	2009	2008
	£	£
Profit on ordinary activities before taxation	496,983	249,284
Profit on ordinary activities multiplied by standard rate of tax of 28% (2008 – 29.5%)	139,155	73,539
Expenses not deductible for tax purposes	700	30
Non taxable income	(140,000)	(73,750)
Losses carried forward	145	181
Total current tax charge (note 5(a))	<u>–</u>	<u>–</u>

(c) Deferred tax

The deferred taxation asset not recognised in the financial statements is as follows

	2009	2008
	£	£
Tax losses available	32,338	32,147
	<u>32,338</u>	<u>32,147</u>

The deferred tax asset, which has been calculated at 28% (2008 – 28%) has not been recognised due to the uncertainty surrounding the availability of future taxable profits to enable its reversal

Notes to the financial statements

at 30 June 2009

6. Investments

	<i>Investments</i>
	£
Cost	
At 30 June 2008 and 30 June 2009	50,000

The company holds 50,000 'B' ordinary shares of £1 each, representing 50% of the issued share capital of AETN UK (formerly The History Channel (UK)), an unlimited company registered in England and Wales, which operates and transmits an historical programme channel

AETN UK made a profit, after tax of £3,103,000 in the year ended 30 June 2009 (2008 – profit of £1,306,000) Its aggregate capital and reserves at 30 June were as follows

	2009	2008
	£	£
Share capital – equity	100,000	100,000
Profit and loss account	4,475,000	2,372,000
	<u>4,575,000</u>	<u>2,472,000</u>

The following is the company's share of joint venture profit and loss account and balance sheet, which would have been included in the consolidated financial statements if prepared

	2009	2008
	£'000	£'000
Profit and loss account		
Share of turnover	15,430	13,039
Share of profit/(loss) before tax	2,160	928
Share of taxation	(608)	(275)
Share of profit/(loss) after tax	1,552	653
Balance sheet		
Share of fixed assets	211	119
Share of current assets	7,395	5,747
Share of liabilities due within one year	(5,319)	(4,630)

7. Creditors: amounts falling due within one year

	2009	2008
	£	£
Amount due to parent undertaking	8,415	5,915
	<u>8,415</u>	<u>5,915</u>

Notes to the financial statements

at 30 June 2009

8. Contingent liability

The directors have confirmed that they will make further funding available to AETN UK an unlimited company in which the company holds 50% of the issued share capital, to enable it to meet its third party liabilities as and when they fall due. A&E Television Networks (UK) Limited is potentially liable for its share of any future liabilities or losses incurred.

9. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No</i>	<i>2009</i>		<i>2008</i>	
		<i>£</i>	<i>No</i>	<i>£</i>	
Ordinary shares of £1 each	100	100	100	100	

10. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share holders' funds</i>
	<i>£</i>	<i>£</i>	<i>£</i>
At 1 July 2007	100	45,384	45,484
Profit for the year	-	249,284	249,284
At 1 July 2008	100	294,668	294,768
Profit for the year	-	496,983	496,983
Dividend paid - interim	-	(250,000)	(250,000)
At 30 June 2009	100	541,651	541,751

11. Related parties

The company conducts business transactions on a normal commercial basis with, and receives a number of services from, shareholder companies and its joint venture. During the year, various expenses amounting to £2,500 (2008 - £nil) were paid by another group undertaking and the company received funding of £nil (2008 - £5,915) from its parent undertaking. The amount due at the year end is disclosed in note 7 to the financial statements.

12. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is A&E Television Networks International L.P., incorporated and registered in the United States of America.

The company's ultimate parent undertaking and controlling party is A&E Television Networks, a general partnership, incorporated and registered in the United States of America. This is the largest and smallest group of undertakings for which group financial statements are drawn up and of which the company is a member.