

Registered No. 3113371

# A&E Television Networks (UK) Limited

## Report and Financial Statements

30 June 2016



# A&E Television Networks (UK) Limited

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## Company Information

### **Directors**

C Barry  
S Cohan

### **Secretary**

C Barry

### **Bankers**

Wells Fargo  
1 Plantation Place  
30 Fenchurch Street  
London  
EC3M 3BD

### **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 2016.

### Results and dividends

The loss for the year amounted to £1,810 (2015– loss of £1,124). No dividend has been declared during the year (2015 - Nil).

### Principal activity and review of the business

The company's principal activity during the year ended 30 June 2016 was that of an investment holding company. The company continues to own 50% of the joint venture AETN UK which is jointly operated with BSkyB History Limited.

### Directors

The directors who served the company during the year and after the year end were as follows:

S Benson (resigned 31 August 2016)  
C Barry (appointed 1 December 2016)  
S Cohan

### 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 for reduced disclosures. The directors have also taken exemption under Section 414 (B) not to prepare a Strategic Report.

On behalf of the Board



Christopher Barry, Director

28 April 2017

## 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) including Financial Reporting Standard (FRS) 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. 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 FRS102 has 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.

# **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 2016 which comprise the Profit and Loss Account, the Statement of Total Comprehensive Income, the Balance Sheet, Statement of Changes in Equity 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) including FRS 102 'The Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland.

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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on the 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; 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 (continued)**

**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 financial statements in accordance with the small companies' regime, take advantage of the small companies' exemption in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.



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

2/5/17

## Profit and Loss Account

at 30 June 2016

	<i>Notes</i>	<i>2016</i>	<i>2015</i>
		£	£
Finance expenses		(1,816)	(1,125)
Dividend income		-	-
Other Income		6	1
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		<b>(1,810)</b>	<b>(1,124)</b>
Tax on loss on ordinary activities	4	-	-
		<hr/>	<hr/>
<b>Loss for the financial year</b>	9	<b>(1,810)</b>	<b>(1,124)</b>
		<hr/> <hr/>	<hr/> <hr/>

## Statement of total comprehensive income

for the year ended 30 June 2016

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £1,810 for the year ended 30 June 2016 (2015 – loss of £1,124). For this reason no separate statement of comprehensive income has been prepared.

## Balance Sheet

at 30 June 2016

	<i>Notes</i>	<i>2016</i> £	<i>2015</i> £
<b>Fixed assets</b>			
Investments	5	50,000	50,000
<b>Current assets</b>			
Cash at bank		3,529	239
		<u>3,529</u>	<u>239</u>
<b>Creditors: amounts falling due within one year</b>	6	(6,552)	(1,452)
<b>Net current liabilities</b>		<u>(3,023)</u>	<u>(1,213)</u>
<b>Total assets less current liabilities</b>		46,977	48,787
<b>Net assets</b>		<u>46,977</u>	<u>48,787</u>
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account	9	46,877	48,687
<b>Shareholders' funds</b>	9	<u>46,977</u>	<u>48,787</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006, and with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland Section 1A Small Entities.

The financial statements of A&E Television Networks (UK) Limited (company number 3113371) were approved by the Board on 28 April 2017 and signed on its behalf by:



Christopher Barry, Director



## Statement of Changes in Equity

for the year ended 30 June 2016

Notes	Share capital	Profit and loss account	Total Shareholders' funds
	US\$	US\$	US\$
Balance as at 1 July 2014	100	49,811	49,911
Loss for the year	-	(1,124)	(1,124)
<b>Total comprehensive income</b>	-	(1,124)	(1,124)
<b>Balance as at 30 June 2015</b>	<b>100</b>	<b>48,687</b>	<b>48,787</b>
Balance as at 1 July 2015	100	48,687	48,787
Loss for the year	-	(1,810)	(1,810)
<b>Total comprehensive income</b>	-	(1,810)	(1,810)
<b>Balance as at 30 June 2016</b>	<b>100</b>	<b>46,877</b>	<b>46,977</b>

## Notes to the financial statements

at 30 June 2016

### 1. Accounting policies

#### *General information*

A&E Television Networks (UK) Limited is a private company limited by shares. It is registered in England, registration number 3113371. The registered address is 400 Capability Green, Luton, Bedfordshire, LU1 3AE.

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with and comply with Section 1A Small Entities of Financial Reporting Standard 102.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 Section 1A in the current year. For more information refer to note 12.

A summary of the accounting policies is set out below.

#### **Financial Reporting Standard 102 – reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland”:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);

#### *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 as and when they fall due.

#### *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.

#### *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.

## Notes to the financial statements

at 30 June 2016

### 1. Accounting policies (continued)

#### *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.

### 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, who are remunerated by other group undertakings, received any remuneration for services to the company during the current and prior year.

### 4. Tax

#### (a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2016 £	2015 £
<i>Current tax:</i>		
UK corporation tax on the loss for the year	-	-
Tax on loss on ordinary activities (note 4(b))	-	-
	<u>          </u>	<u>          </u>

#### (b) Factors affecting current tax for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.00% (2015 – 20.75%). The differences are explained below:

	2016 £	2015 £
(Loss) on ordinary activities before tax	(1,810)	(1,124)
	<u>          </u>	<u>          </u>

## Notes to the financial statements

at 30 June 2016

### 4. Tax (continued)

	2016	2015
	£	£
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 – 20.75%)	(362)	(233)
<i>Effects of:</i>		
Expenses not deductible	20	-
Utilisation of tax losses	342	233
Total tax charge (note 4(a))	<u>-</u>	<u>-</u>

#### (c) Deferred tax

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

	2016	2015
	£	£
Tax losses available	21,427	23,466
	<u>21,427</u>	<u>23,466</u>

The deferred tax asset, which has been calculated at 18% (2015 – 20%) has not been recognised due to the uncertainty surrounding the availability of future taxable profits to enable its reversal.

Reduction in the UK corporation tax rate to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020 were both substantively enacted in October 2015. These rate reductions have been reflected in the calculation of the unrecognized deferred tax at the balance sheet date. A further reduction of the main rate of corporate tax to 17% from 1 April 2020 was substantively enacted post year end in September 2016 and was therefore not reflected in the calculations.

### 5. Investments

	<i>Investments</i>
	£
Cost:	
At 1 July 2015 and 30 June 2016	50,000
	<u>50,000</u>

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

AETN UK, adopted FRS 102 for the year ended 30 June 2016 and restated results for the year ended 30 June 2015. All disclosures for the fiscal year ended 30 June 2015 have been restated accordingly. AETN UK made a profit after tax, of £3,529,000 in the year ended 30 June 2016 (2015 – profit of £2,264,000 as restated). Its aggregate capital and reserves at 30 June were as follows:

## Notes to the financial statements

at 30 June 2016

### 5. Investments (continued)

	2016	2015
	£'000	(as restated) £'000
Share capital – equity	100	100
Profit and loss account	22,470	18,941
	<u>22,570</u>	<u>19,041</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 group financial statements if prepared:

	2016	2015
	£'000	(as restated) £'000
Profit and loss account:		
Share of turnover	30,050	27,597
Share of profit before tax	2,329	1,453
Share of taxation	(564)	(321)
Share of profit after tax	1,765	1,132
Balance sheet:		
Share of fixed assets	1,681	597
Share of current assets	28,707	28,707
Share of liabilities due within one year	(19,103)	(16,455)

### 6. Creditors: amounts falling due within one year

	2016	2015
	£	£
Corporation tax liability	-	452
Amounts owed to parent undertaking	6,552	1,000
	<u>6,552</u>	<u>1,452</u>

### 7. 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.

### 8. Issued share capital

	2016		2015	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	100	100	100	100

## Notes to the financial statements.

at 30 June 2016

### 9. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share holders' funds</i>
	£	£	£
At 1 July 2014	100	49,811	49,911
Loss for the year	-	(1,124)	(1,124)
	<hr/>	<hr/>	<hr/>
At 1 July 2015	100	48,687	48,787
Loss for the year	-	(1,810)	(1,810)
	<hr/>	<hr/>	<hr/>
At 30 June 2016	<u>100</u>	<u>46,877</u>	<u>46,977</u>

### 10. Related party transactions

The company conducts business transactions on a normal commercial basis with, and normally receives a number of services from, shareholder companies and its joint venture. As at 30 June 2016, £6,552 is payable to the parent company. No amount is receivable from the related entities as at the year end. There are no other related party transactions.

### 11. 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 LLC, 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.

### 12. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 30 June 2015 and the date of transition to FRS 102 was therefore 1 July 2015. As a consequence of adopting FRS 102, some accounting policies have changed to comply with that standard. The company adopted FRS 102 Section 1A.

There are no transitional adjustments affecting the Company's financial position and profit and loss resulting from the transition from Financial Reporting Standard for Smaller Entities (effective April 2008) to Section 1A of FRS 102.