

# A&E Television Networks (UK) Limited

## Report and Financial Statements

30 June 2008

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COMPANIES HOUSE

# A&E Television Networks (UK) Limited

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Registered No. 3113371

## **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 2008.

### Results and dividends

The profit for the year amounted to £249,284 (2007 – £1,271). 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 2008 was that of an investment holding company. The company continued to own 50% of the joint venture with BSkyB History Limited in The History Channel (UK).

### Future developments

The directors expect the general level of activity in the joint venture to increase.

### Directors

The directors who served during the year were as follows:

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

### Financial risk management and liquidity risk

The directors confirm that, in accordance with the Companies Act 1985 (Operating and Financial Review and Directors Report) Regulations 2005, they have considered and reviewed the provisions included within Schedule 7(5A), relating to the financial risk management and policies of the company.

As a result of the review, the directors have concluded that the company will be able to continue funding its activities through its cash reserves and inter-company transactions as and when required.


### 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.

By order of the board

  
Secretary

23 JUN 2009

## 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). The financial statements are required by law to 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 disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 company's financial statements for the year ended 30 June 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# Independent auditor's report

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

## Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered auditor  
London

*26 June 2009*

## Profit and loss account

for the year ended 30 June 2008

	<i>Notes</i>	<i>2008</i>	<i>2007</i>
		£	£
Administration expenses		(620)	(560)
Dividend income		250,000	–
Bank interest receivable		86	14
Interest payable	4	(182)	–
<b><i>Profit/(loss) on ordinary activities before taxation</i></b>		<b>249,284</b>	<b>(546)</b>
Tax on profit/(loss) on ordinary activities	5	–	1,817
<b><i>Profit on ordinary activities after taxation</i></b>	<b>11</b>	<b>249,284</b>	<b>1,271</b>

## Statement of total recognised gains and losses

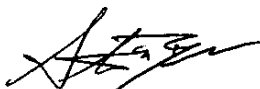
for the year ended 30 June 2008

There are no recognised gains or losses other than the profit of £249,284 attributable to the shareholders for the year ended 30 June 2008 (2007 – profit of £1,271).

## Balance sheet

at 30 June 2008

	Notes	2008 £	2007 £
<b>Fixed assets</b>			
Investments	6	50,000	50,000
<b>Current assets</b>			
Cash at bank		250,683	311
<b>Creditors: amounts falling due within one year</b>	7	(5,915)	(4,827)
<b>Net current assets/(liabilities)</b>		244,768	(4,516)
<b>Total assets less current liabilities</b>		294,768	45,484
<b>Capital and reserves</b>			
Called up share capital	10	100	100
Profit and loss account	11	294,668	45,384
<b>Equity shareholders' funds</b>	11	294,768	45,484

  
Director

23 JUN 2009



## Notes to the financial statements

at 30 June 2008

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention.

#### *Going concern*

The financial statements have been prepared on a going concern basis.

#### *Statement of cash flows*

The company has taken advantage of the concession in FRS 1 "Cash Flow Statements" 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 director's opinion, there is an impairment in the value of the investments. The carrying values 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. 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.

### 3. Auditor's remuneration

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

## Notes to the financial statements

at 30 June 2008

### 4. Interest payable

	2008	2007
	£	£
Other interest	182	–
	<u>182</u>	<u>–</u>

### 5. Tax

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

	2008	2007
	£	£
<i>Current tax</i>		
UK corporation tax on the profit/(loss) for the year	–	–
Adjustment in respect of prior years	–	(1,817)
Current tax charge/(credit) (note 5(b))	<u>–</u>	<u>(1,817)</u>

#### (b) Factors affecting current tax

The tax assessed on the (loss)/profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30% (2007 – 30%). The differences are reconciled below:

	2008	2007
	£	£
Profit/(loss) on ordinary activities before taxation	249,284	(546)
Profit/(loss) on ordinary activities multiplied by standard rate of tax of 29.5% (2007 – 30%)	73,539	(164)
Expenses not deductible for tax purposes	30	
Non taxable income	(73,750)	–
Losses carried forward	181	164
Adjustment in respect of prior years	–	(1,817)
Total current tax charge/(credit) (note 5(a))	<u>–</u>	<u>(1,817)</u>

## Notes to the financial statements

at 30 June 2008

### 5. Tax

(c) Deferred tax

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

	2008	2007
	£	£
Tax losses available	32,147	32,152

The deferred tax asset, which has been calculated at 28% (2007 – 30%) has not been recognised due to the uncertainty surrounding the availability of future taxable profits to enable its reversal.

### 6. Investments

	<i>Investments</i>
	£
Cost:	
At 30 June 2007 and 30 June 2008	50,000

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

The History Channel (UK) made a profit, after tax of £1,306,000 in the year ended 30 June 2008 (2007 – loss of £1,396,000). Its aggregate capital and reserves at 30 June were as follows:

	2008	2007
	£	£
Share capital – equity	100,000	100,000
Profit and loss account	2,372,000	1,566,000
	<u>2,472,000</u>	<u>1,666,000</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:

	2008	2007
	£	£
<i>Profit and loss account:</i>		
Share of turnover	13,039,000	9,404,000
Share of profit/(loss) before tax	928,000	(1,013,000)
Share of taxation	(275,000)	315,000
Share of profit/(loss) after tax	653,000	(698,000)
<i>Balance sheet:</i>		
Share of fixed assets	119,000	143,500
Share of current assets	5,747,500	4,988,000
Share of liabilities due within one year	(4,630,500)	(4,298,500)

## Notes to the financial statements

at 30 June 2008

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

	2008	2007
	£	£
Corporation tax	–	4,827
Amount due to parent undertaking	5,915	–
	<u>5,915</u>	<u>4,827</u>

### 8. Contingent liability

The directors have confirmed that they will make further funding available to The History Channel (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. 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, the company received funding of £5,915 (2007 - £nil) from its parent undertaking and the amount due at the year end is disclosed in note 7 to the financial statements.

### 10. Authorised and issued share capital

		2008	2007
		£	£
<i>Authorised</i>			
Ordinary shares of £1 each		2,000,000	2,000,000
Preference shares of £1 each		619,258	619,258
		<u>2,619,258</u>	<u>2,619,258</u>
		2008	2007
		No.	No.
<i>Allotted, called up and fully paid</i>		£	£
Ordinary shares of £1 each	100	100	100
		<u>100</u>	<u>100</u>

## Notes to the financial statements

at 30 June 2008

### 11. 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 30 June 2006	100	44,113	44,213
Profit for the year	–	1,271	1,271
At 30 June 2007	100	45,384	45,484
Profit for the year	–	249,284	249,284
At 30 June 2008	100	294,668	294,768

### 12. Ultimate parent undertaking and controlling party

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

The company's ultimate parent undertaking and controlling party is A&E Television Networks, a general partnership, 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.