

Registered No. 3113371

# A&E Television Networks (UK) Limited

## Report and Financial Statements

30 June 2013



**Directors**

S Benson  
S Cohan

**Secretary**

S Benson

**Bankers**

Wells Fargo  
London Branch,  
1 Plantation Place, 30 Fenchurch Street, London, UK.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 2013.

### Results and dividends

The profit for the year amounted to £511,578 (2012– profit of £749,335). A dividend of £875,000 has been declared and paid (2012 - £375,000).

### Principal activity and review of the business

The company's principal activity during the year ended 30 June 2013 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 were as follows:

S Ronson – resigned 31 October 2013  
S Benson

### 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.

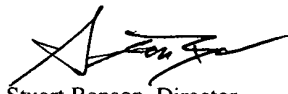
### Auditors

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



Stuart Benson, Director

14 May 2015

## 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 2013 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. 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. 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 2013 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 (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.

*Ernst & Young*

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

*18/5/11*

## Profit and loss account

for the year ended 30 June 2013

	<i>Notes</i>	<i>2013</i>	<i>2012</i>
		£	£
Administration expenses		11,575	(665)
Dividend income		500,000	750,000
Other Income		3	-
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>511,578</b>	<b>749,335</b>
Tax on profit on ordinary activities	4	-	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>	10	<b>511,578</b>	<b>749,335</b>
		<hr/> <hr/>	<hr/> <hr/>

## Statement of total recognised gains and losses

for the year ended 30 June 2013

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £511,578 for the year ended 30 June 2013 (2012 – profit of £749,335).

## Balance sheet

at 30 June 2013

	<i>Notes</i>	<i>2013</i> £	<i>2012</i> £
<b>Fixed assets</b>			
Investments	5	50,000	50,000
<b>Current assets</b>			
Cash at bank		1,219	2,056
Due from parent undertaking		-	375,000
		1,219	377,056
<b>Creditors: amounts falling due within one year</b>	6	-	(12,415)
<b>Net current assets</b>		1,219	364,641
<b>Total assets less current liabilities</b>		51,219	414,641
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account	10	51,119	414,541
<b>Shareholders' funds</b>	10	51,219	414,641

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 Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements of A&E Television Networks (UK) Limited (company number 3113371) were approved by the Board on 14 May 2015 and signed on its behalf by:

  
Stuart Benson, Director



## Notes to the financial statements

at 30 June 2013

### 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 as and when they fall due.

#### *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.

#### *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.

#### *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.

## Notes to the financial statements

at 30 June 2013

### 4. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2013 £	2012 £
<i>Current tax:</i>		
UK corporation tax on the profit for the year	-	-
Tax on profit 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 23.75% (2012 – 25.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	511,578	749,335
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.75% (2012 – 25.5%)	121,503	191,080
<i>Effects of:</i>		
Non taxable income	(121,502)	(191,250)
Losses carried forward	(1)	170
Total current 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:

	2013 £	2012 £
Tax losses available	27,069	29,251
	<u>27,069</u>	<u>29,251</u>

The deferred tax asset, which has been calculated at 23% (2012 – 24%) has not been recognised due to the uncertainty surrounding the availability of future taxable profits to enable its reversal.

In the UK Budget Statement on 21 March 2012, the Chancellor of the Exchequer announced a number of changes to the UK Corporation Tax rate. These included a reduction in the UK Corporation Tax rate from 25% to 24% effective from 1 April 2012 (and substantively enacted as of 26 March 2012), and a reduction from 24% to 23% from 1 April 2013 which was substantively enacted on 3 July 2012.

The UK government intended to reduce the UK Corporate Tax rate to 22% by 1 April 2014, but the Chancellor announced in his Autumn statement on 5 December 2012 that the main rate of Corporation Tax will be reduced by a further one per cent from 1 April 2014, to 21%.

## Notes to the financial statements

at 30 June 2013

### 4. Tax (continued)

Furthermore, in his budget 2013 on 21 March 2013, the Chancellor of the Exchequer announced a further reduction to the UK Corporation Tax rate by one percent from 1 April 2015, to 20%.

### 5. Investments

	<i>Investments</i>
	£
Cost:	
At 1 July 2012 and 30 June 2013	50,000

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 made a profit, after tax, of £5,014,000 in the year ended 30 June 2013 (2012 – profit of £4,844,000). Its aggregate capital and reserves at 30 June were as follows:

	2013	2012
	£	£
Share capital – equity	100,000	100,000
Profit and loss account	16,119,000	12,105,000
	<u>16,219,000</u>	<u>12,205,000</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 group financial statements if prepared:

	2013	2012
	£'000	£'000
Profit and loss account:		
Share of turnover	22,516	21,624
Share of profit before tax	3,316	3,315
Share of taxation	(809)	(893)
Share of profit after tax	2,507	2,422
Balance sheet:		
Share of fixed assets	616	329
Share of current assets	14,867	14,277
Share of liabilities due within one year	(7,373)	(8,504)

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

	2013	2012
	£	£
Amount due to parent undertaking	-	12,415

## Notes to the financial statements

at 30 June 2013

### 7. Dividend

	2013	2012
	£	£
Declared and paid during the year	875,000	375,000
	<u>875,000</u>	<u>375,000</u>

### 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

	2013		2012	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	£	<i>No.</i>	£
Ordinary shares of £1 each	100	100	100	100
		<u>100</u>		<u>100</u>

### 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>
	£	£	£
At 1 July 2011	100	40,206	40,306
Profit for the year	–	749,335	749,335
Dividends paid – interim	–	(375,000)	(375,000)
	<u>100</u>	<u>414,541</u>	<u>414,641</u>
At 1 July 2012	100	414,541	414,641
Profit for the year	–	511,578	511,578
Dividends paid	–	(875,000)	(875,000)
	<u>100</u>	<u>51,119</u>	<u>51,219</u>
At 30 June 2013	100	51,119	51,219

### 11. Related party transactions

The company conducts business transactions on a normal commercial basis with, and receives a number of services from, shareholder companies and its joint venture. The amount due from and to the parent undertaking at the year end is disclosed on the face of the balance sheet and in note 6 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.

## **Notes to the financial statements**

**at 30 June 2013**

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.