

Registered No. 3113371

A&E Television Networks (UK) Limited

Report and Financial Statements

30 June 2018



A&E Television Networks (UK) Limited

Company Information

Directors

C Barry

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

5th Floor
6 St Andrew Street
London
EC4A 3AE

Directors' report

The directors present their report and financial statements for the year ended 30 June 2018.

Results and dividends

The loss for the year amounted to £2,195 (2017– loss of £2,792). No dividend has been declared during the year (2017 - Nil).

Principal activity and review of the business

The company's principal activity during the year ended 30 June 2018 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:

C Barry
S Cohan (resigned 28 December 2018)

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.

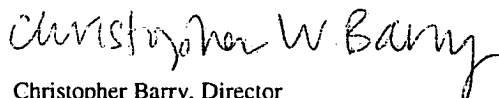
Auditors

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
11 April 2019

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 AUDITORS' REPORT TO THE MEMBERS OF A&E TELEVISION NETWORKS (UK) LIMITED

Opinion

We have audited the financial statements of A&E Television Networks (UK) Limited for the year ended 30 June 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of total comprehensive income, the Statement of Changes in Equity and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ▶ give a true and fair view of the company's affairs as at 30 June 2018 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ▶ the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ▶ the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A&E TELEVISION NETWORKS (UK) LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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
- ▶ the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare the strategic report

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A&E TELEVISION NETWORKS (UK) LIMITED

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



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

11 April 2019

A&E Television Networks (UK) Limited

Profit and Loss Account

at 30 June 2018

	Notes	2018 £	2017 £
Finance expenses		(2,196)	(2,245)
Dividend income		1	-
Other Income		-	(547)
Loss on ordinary activities before taxation		(2,195)	(2,792)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year	9	(2,195)	(2,792)

Statement of total comprehensive income

for the year ended 30 June 2018

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £2,195 for the year ended 30 June 2018 (2017 – loss of £2,792). For this reason no separate statement of comprehensive income has been prepared.

A&E Television Networks (UK) Limited

Balance Sheet

at 30 June 2018

	Notes	2018 £	2017 £
Fixed assets			
Investments	5	50,000	50,000
Current assets			
Cash at bank		2,042	1,737
		<u>2,042</u>	<u>1,737</u>
Creditors: amounts falling due within one year	6	(10,052)	(7,552)
Net current liabilities		<u>(8,010)</u>	<u>(5,815)</u>
Total assets less current liabilities		41,990	44,185
Net assets		<u><u>41,990</u></u>	<u><u>44,185</u></u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	9	41,890	44,085
Shareholders' funds	9	<u><u>41,990</u></u>	<u><u>44,185</u></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 11 April 2019 and signed on its behalf by:



Christopher Barry, Director

Statement of Changes in Equity

for the year ended 30 June 2018

Notes	Share capital	Profit and loss account	Total Shareholders' funds
	£	£	£
Balance as at 1 July 2016	100	46,877	46,977
Loss for the year	-	(2,792)	(2,792)
Total comprehensive loss	-	(2,792)	(2,792)
Balance as at 30 June 2017	100	44,085	44,185
Balance as at 1 July 2017	100	44,085	44,185
Loss for the year	-	(2,195)	(2,195)
Total comprehensive loss	-	(2,195)	(2,195)
Balance as at 30 June 2018	100	41,890	41,990

Notes to the financial statements

at 30 June 2018

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 5th Floor, 6 St Andrew Street, London, EC4A 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.

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 (continued)

at 30 June 2018

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:

	2018 £	2017 £
<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 17.00% (2017 – 17.00%). The differences are explained below:

	2018 £	2017 £
(Loss) on ordinary activities before tax	(2,195)	(2,792)
	<u>(2,195)</u>	<u>(2,792)</u>

Notes to the financial statements (continued)

at 30 June 2018

4. Tax (continued)

	2018 £	2017 £
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 17.00% (2017 – 17.00%)	(373)	(475)
<i>Effects of:</i>		
Expenses not deductible	373	-
Utilisation of tax losses	-	475
Total tax charge (note 4(a))	-	-

(c) Deferred tax

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

	2018 £	2017 £
Tax losses available	20,474	20,711

The deferred tax asset, which has been calculated at 17% (2017 – 17%) 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 17% with effect from 1 April 2020 was substantively enacted prior to the year end. Consequently, these rates have been used in the calculation of the tax balances in the company's financial statements for the current year.

5. Investments

	Investments £
Cost:	
At 1 July 2017 and 30 June 2018	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 a historical programme channel.

AETN UK restated results for the year ended 30 June 2017 to incorporate the impact of an error in the treatment of withholding tax in the preceding years to recognise it in the period it arose in. All disclosures for the fiscal year ended 30 June 2017 have been restated accordingly. AETN UK had a loss after tax, of £1,995,000 in the year ended 30 June 2018 (2017 – loss of £1,552,000). Its aggregate capital and reserves at 30 June were as follows:

Notes to the financial statements (continued)

at 30 June 2018

5. Investments (continued)

	2018	2017
	£'000	£'000
Share capital – equity	100	100
Foreign exchange translation reserve	72	45
Profit and loss account	18,100	20,095
	<u>18,272</u>	<u>20,240</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:

	2018	2017
	£'000	£'000
Profit and loss account:		
Share of turnover	34,864	34,026
Share of profit before tax	(887)	(371)
Share of taxation	(111)	(405)
Share of profit after tax	(998)	(776)
Balance sheet:		
Share of fixed assets	5,432	4,955
Share of current assets	32,166	30,805
Share of liabilities due within one year	(12,691)	(9,974)

6. Creditors: amounts falling due within one year

	2018	2017
	£	£
Amounts owed to parent undertaking	10,052	7,552
	<u>10,052</u>	<u>7,552</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

	2018		2017	
	No.	£	No.	£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	100	100	100	100

Notes to the financial statements (continued)

at 30 June 2018

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 2016	100	46,877	46,977
Loss for the year	-	(2,792)	(2,792)
At 1 July 2017	100	44,085	44,185
Loss for the year	-	(2,195)	(2,195)
At 30 June 2018	100	41,890	41,990

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 2018, £10,052 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.