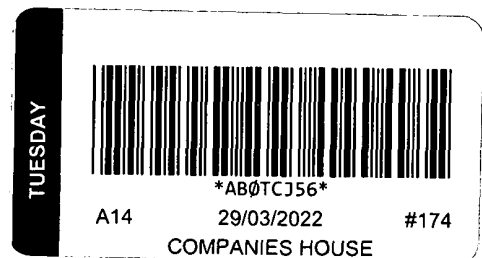


Registered No. 3113371

A&E Television Networks (UK) Limited

Report and Financial Statements

31 December 2020



A&E Television Networks (UK) Limited

Company Information

Directors

N Khemlani – Resigned 30th April 2021

M Bachmann

Secretary

A Nisbet

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

30 Panton Street

London

SW1Y 4AJ

Directors' report

The directors present their report and financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the period amounted to £1,281 (18 months ended 31 Dec 2019– loss of £3,125). No dividend has been declared during the period (2019 - Nil).

Principal activity and review of the business

The company's principal activity during the period for the year ended 31 December 2020 was that of an investment holding company. The company continues to own 50% of the joint venture AETN UK which is jointly operated with Sky History Limited.

Going Concern

The directors of A&E Television Networks Limited have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Management has assessed the relevant factors surrounding going concern, including financing available from companies in the Hearst group, and concludes that there are no material events or uncertainties that may cast significant doubt about the ability of the Company to continue as a going concern. Accordingly, the directors of A&E Television Networks Limited have continued to adopt the going concern basis in preparing the annual report and financial statements.

The Directors of A&E Television Networks (UK) Limited have also considered the cash flow forecasts of the company for the period to end of March 2023 and are of the view that COVID-19 does not impact the Company's ability to continue as a going concern. The company does not carry out any trading activities, has no employees and is in a net asset position as at 31 December 2020. The Company has also received an unconditional letter of support Hearst LT, Inc. for a period covering 12 months from the date of approval of these financial statements.

Consequently, and based on their knowledge of Hearst LT, Inc, the directors of A&E Television Networks (UK) Limited have concluded that it is appropriate to prepare these financial statements on a going concern basis.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Directors

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

N Khemlani – Resigned 30th April 2021
M Bachmann

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

Directors' report

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



Michael Bachmann, Director

March 24, 2022

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 UK and Republic of Ireland ("FRS 102"). 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 for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102, have 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 appropriate to presume that the company will not 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 company 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.

Under applicable law and regulations, the directors are also responsible for preparing a directors' report, that complies with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent auditor's 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 31 December 2020 which comprise the Profit and Loss Account, the Statement of Total Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 10, 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 31 December 2020 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. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or

Independent auditor's report (continued)

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

conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 contained within the annual report.

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.

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 course of 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 themselves. 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 a strategic report.

Independent auditor's report (continued)

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 4, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the United Kingdom.
- We understood how A&E Television Networks (UK) Limited is complying with those frameworks by making inquiries of management and those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes and papers provided to those charged with governance, as well as considerations of the results of our audit procedures over the company's financial statements.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand

Independent auditor's report (continued)
to the members of A&E Television Networks (UK) Limited

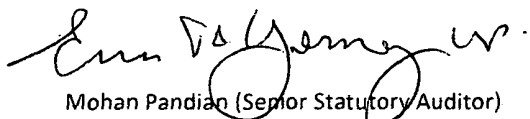
where it considered there was susceptibility to fraud. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was identified to be higher, we performed audit procedures to address each identified fraud risk.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiries of those responsible for legal compliance of the company and management; as well as focused testing. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with all applicable requirements.

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.



Mohan Pandian (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date 25 March 2022

Profit and Loss Account

At 31 December 2020

		12 months Ended 31 Dec.	18 months Ended 31 Dec
		2020	2019
	Notes	£	£
Finance Expenses		(1,281)	(3,129)
Dividend Income		0	7
Other Income		0	(3)
Loss on ordinary activities before taxation		(1,281)	(3,125)
Tax on loss on ordinary activities	4	-	-
Loss for the financial period		(1,281)	(3,125)

Statement of total comprehensive income

for the year ended 31 December 2020

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £1,281 for the year ended 31 December 2020 (18 months ended 31 Dec 2019 – loss of £3,125). For this reason, no separate statement of comprehensive income has been prepared.

A&E Television Networks (UK) Limited

Balance Sheet
at 31 December 2020

		31 Dec 2020	31 Dec 2019
	Notes	£	£
Fixed assets			
Investments	5	50,000	50,000
Current assets			
Cash at bank		0	917
		0	917
Creditors: amounts falling due within one year	6	(12,416)	(12,052)
Net current liabilities		(12,416)	(11,135)
Total assets less current liabilities		37,584	38,865
Net assets		37,584	38,865
Capital and reserves			
Called up share capital		100	100
Profit and loss account		37,484	38,765
Shareholders' funds		37,584	38,865

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 March 24 2022 and signed on its behalf by:



Michael Bachmann, Director

Statement of Changes in Equity

for the year ended 31 December 2020

	Note s	Share capital	Profit and loss account	Total Shareholders' funds
		£	£	£
Balance as at 1 July 2018		100	41,890	41,990
Loss for the year		-	(3,125)	(3,125)
Total comprehensive loss		-	(3,125)	(3,125)
Balance as at 31 Dec 2019		100	38,765	38,865
Balance as at 31 Dec 2019		100	38,765	38,865
Loss for the period		-	(1,281)	(1,281)
Total comprehensive loss		-	(1,281)	(1,281)
Balance as at 31 Dec 2020		100	37,484	37,584

Notes to the financial statements

at 31 December 2020

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 30 Panton Street, London, SW1Y 4AJ

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

This entity is principally a holding company for an investment in AETN UK, jointly owned with Sky History Limited. Management has assessed the relevant factors surrounding going concern, including financing available from companies in the Hearst group, and considers the basis of accounting preparation appropriate.

The Directors of A&E Television Networks (UK) Limited have considered the cash flow forecasts of the company for the period to end of March 2023 and are of the view that COVID-19 does not impact the Company's ability to continue as a going concern. The company does not carry out any trading activities, has no employees and is in a net asset position as at 31 December 2020. The Company has also received an unconditional letter of support Hearst LT, Inc. for a period covering 12 months from the date of approval of these financial statements.

Consequently, and based on their knowledge of Hearst LT, Inc, the directors of A&E Television Networks (UK) Limited have concluded that it is appropriate to prepare these financial statements on a going concern basis.

Notes to the financial statements

at 31 December 2020

1. Accounting policies (continued)

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 31 December 2020

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:

	<i>12 months Ended 31 Dec 2020 £</i>	<i>18 months Ended 31 Dec 2019 £</i>
<i>Current tax:</i>		
UK corporation tax on the loss for the period	-	-
	<hr/>	<hr/>
	-	-
Tax on loss on ordinary activities (note 4(b))	-	-
	<hr/>	<hr/>

(b) Factors affecting current tax for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 19.00% (2019 – 19.00%). The differences are explained below:

Notes to the financial statements (continued)

at 31 December 2020

substantively enacted at the balance sheet date that determine the rate upon which deferred tax should be calculated. On the basis that the legislation enacting the 25% corporation tax rate was substantively enacted on 24 May 2021; the closing deferred tax balances are recognised at 25%.

5. Investments

Investments

£

Cost:
At 31 Dec 2019 and 31 Dec 2020 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 had a loss after tax, of £3,598,000 in the year ended 31 Dec 2020 (18 months ended 31 December 2019 – profit of £381,000). Its aggregate capital and reserves at 31 Dec were as follows:

	31 Dec 2020	31 Dec 2019
	£'000	£'000
Share capital – equity	100	100
Foreign exchange translation reserve	208	149
Profit and loss account	14,884	18,481
	<u>15,192</u>	<u>18,730</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:

	12 months Ended 31 Dec 2020	12 months Ended 31 Dec 2019
	£'000	£'000
Profit and loss account:		
Share of turnover	33,517	56,180
Share of profit before tax	(1,716)	696
Share of taxation	(84)	(506)
Share of profit after tax	<u>(1,800)</u>	<u>191</u>

Notes to the financial statements (continued)
at 31 December 2020

	31 Dec 2020	31 Dec 2019
Balance sheet:		
Share of fixed assets	3,744	4,231
Share of current assets	31,604	34,008
Share of liabilities due within one year	(11,746)	(12,764)

6. Creditors: amounts falling due within one year

	2020	2019
	£	£
Amounts owed to A&E Television Networks LLC	0	12,052
Amounts due to Hearst Corp.	12,416	0
	<u>12,416</u>	<u>12,052</u>

7. Issued share capital

	31 Dec 2020		31 Dec 2019	
Allotted, called up and fully paid	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100
		<u>100</u>		<u>100</u>

8. 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 31 December 2020, £0 is payable to A&E Television Networks LLC. (£12,052 at 31 Dec 2019) (note 6). No amount is receivable from the related entities as at the period end. Since the company no longer has a bank account, operations are funded by its parent company (The Hearst Corporation) (note 6). As at 31 December 2020, £12,416 is payable to the Hearst Corporation. There are no other related party transactions.

Notes to the financial statements (continued)
at 31 December 2020

9. 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 The Hearst Corporation 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.

10. Subsequent Events

The company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined there were no such events requiring recognition or disclosure in the financial statements.