

# **Sports News Television Management Limited**

## **Report and Financial Statements**

31 December 2011

WEDNESDAY



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26/09/2012

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COMPANIES HOUSE

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## Sports News Television Management Limited

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### **Directors**

K Dale  
D Fay  
M Masquelier  
C Guinness  
D Veerasingham  
G Pruitt

### **Secretary**

J Loffhagen

### **Auditor**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

### **Bankers**

Skandinaviska Enskilda Banken  
Scandinavian House  
2 Cannon Street  
London EC4M 6XX

### **Registered Office**

McCormack House  
Burlington Lane  
Hogarth Business Park  
London W4 2TH

Registered No 3177758

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2011

### Results and dividends

The profit for the year after taxation amounted to £313,806 (2010 – profit of £392,186) The directors recommend a final dividend of £320,000 (2010 – £400,000)

### Principal activities and review of the business

The company is principally engaged in the general management of Sports News Television (Limited Partnership) ('SNTV'), a partnership involved in the production and distribution of television sports news programmes

### Future developments

The directors do not anticipate any significant change in the activities and results of the company in the foreseeable future

### Principal risks and uncertainties

The company is exposed to the same principal risks and uncertainties as those described in the financial statements of SNTV (note 12)

The principal risks and uncertainties facing the partnership are

- Loss of clients – The partnership may lose contracts/and or clients due to their merger or acquisition, business failure, or contract expiration. Such a loss may have a material impact on the partnership's results
- Credit risk – Invoicing is agreed with the customer in advance and the partnership does not offer extended credit terms. In addition, trade debtor balances are monitored on an ongoing basis with the result that the partnership's exposure to bad debts is minimised
- Exchange rate fluctuations – The partnership currently operates globally and is, and will continue to be, exposed to foreign currency rate fluctuations. The company uses external advice on currency dealings with its bank. Where possible natural hedges are used

### Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future. The financial statements have therefore been prepared on the going concern basis

### Directors

The directors who served the company during the year were as follows

N Baker (resigned 17<sup>th</sup> November 2011)

K Dale

D Fay

M Masquelier

C Guinness

D Veerasingham

T Curley (appointed 1<sup>st</sup> December 2011, resigned 26<sup>th</sup> July 2012)

G Pruitt (appointed 26<sup>th</sup> July 2012)

## Directors' report

### Disclosure of information to the auditor

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.

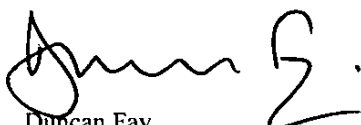
### Auditor

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

### Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the Board



Duncan Fay  
Director

24/9/2012

## Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 judgments and estimates that are reasonable and prudent, and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 Sports News Television Management Limited**

We have audited the financial statements of Sports News Television Management Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 13. 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 auditor**

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. Our responsibility is to audit and express an opinion on 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 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 Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 31 December 2011 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**

**to the members of Sports News Television Management 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

*Ernst & Young LLP*

Neil Cullum (Senior statutory auditor)

For and on behalf of Ernst & Young LLP (Statutory Auditor)

London

*26/9/2012.*

## Profit and loss account

for the year ended 31 December 2011

	<i>Notes</i>	<i>2011</i> £	<i>2010</i> £
Share of partnership profits	2	413,290	531,007
Administrative expenses		(8,492)	(9,209)
Exchange loss on operating activities		(1,189)	(3,439)
<b>Profit on ordinary activities before taxation</b>	3	403,609	518,359
Tax	4	(89,803)	(126,173)
<b>Profit for the financial year</b>	9	<u>313,806</u>	<u>392,186</u>

All amounts relate to continuing activities

## Statement of total recognised gains and losses

for the year ended 31 December 2011

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £313,806 in the year ended 31 December 2011 (2010 – profit of £392,186)



## Balance sheet

at 31 December 2011

	Notes	2011 £	2010 £
<b>Current assets</b>			
Debtors	6	93,614	101,742
Cash at bank and in hand		20,140	53,355
		<u>113,754</u>	<u>155,097</u>
<b>Creditors, amounts falling due within one year</b>	7	<u>(77,530)</u>	<u>(112,679)</u>
<b>Net assets</b>		<u>36,224</u>	<u>42,418</u>
<b>Capital and reserves</b>			
Called up share capital	8	5,000	5,000
Profit and loss account	9	<u>31,224</u>	<u>37,418</u>
<b>Shareholders' funds</b>	9	<u>36,224</u>	<u>42,418</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006



24/9/2012.

Duncan Fay

Director

## Notes to the financial statements

at 31 December 2011

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

These financial statements are prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies

#### *Statement of cash flows*

Under FRS 1, the company is exempt from the requirement to prepare a statement of cash flows on the grounds of its size

#### *Deferred taxation*

Deferred taxation 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 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 translated at the exchange rate ruling at the date of the transaction. The only exception to this is the share of profits from SNTV (note 2). Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. The exchange rate as at 31 December 2011 was £1.00 – \$1.55 (2010 – £1.00 – \$1.56)

Any exchange differences are recorded in the profit and loss account

### 2. Share of partnership profits

This represents 5% of the profits of Sports News Television (Limited Partnership) for the year ended 31 December 2011 translated into sterling at the average rate for the year. The average rate for the year ended 31 December 2011 was £1.00 – \$1.605 (2010 – £1.00 – \$1.546)

## Notes to the financial statements

at 31 December 2011

### 3. Profit on ordinary activities before taxation

This is stated after charging

	2011	2010
	£	£
Auditor's remuneration – audit services	6,400	5,875

None of the directors received remuneration for their qualifying services to the company (2010 – £nil)

The company had no employees during the year (2010 – none)

### 4. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2011	2010
	£	£
<b>Current tax</b>		
UK corporation tax on the profit for the year	89,803	126,173
Double taxation relief	(18,991)	(20,200)
	70,812	105,973
Foreign tax	18,991	20,200
Adjustments in respect of prior years	-	-
Tax on profit on ordinary activities (note 4(b))	89,803	126,173

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 26.5% (2010 – 28%). The differences are explained below

	2011	2010
	£	£
Profit on ordinary activities before taxation	406,548	518,359
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 – 28%)	107,735	145,141
<b>Effects of</b>		
Income not taxable for tax purposes	(809)	(1,684)
Unrelieved foreign tax	-	-
Marginal rate relief	(17,123)	(17,284)
Irrecoverable foreign tax	-	-
Current tax for the year (note 4(a))	89,803	126,173

## Notes to the financial statements

at 31 December 2011

### 5. Dividends

	2011 £	2010 £
Paid during the year at £64 (2010 – £80) per share	320,000	400,000

### 6. Debtors

	2011 £	2010 £
Amounts due from Sports News Television (Limited Partnership)	93,614	101,742

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

	2011 £	2010 £
Accruals	7,000	7,000
Taxation	70,530	105,678
	77,530	112,678

### 8. Issued share capital

	No	2011 £	No	2010 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	5,000	5,000	5,000	5,000

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

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 January 2011	5,000	37,418	42,418
Profit for the financial year	–	313,806	313,806
Dividends paid	–	(320,000)	(320,000)
At 31 December 2011	5,000	31,224	36,224

### 10. Capital commitments

The company had no capital commitments at 31 December 2011 (2010 – £nil)

## **Notes to the financial statements**

**at 31 December 2011**

### **11. Contingent liabilities**

There were no contingent liabilities at 31 December 2011 (2010 – £nil)

### **12. Sports News Television (Limited Partnership)**

The company has a 5% investment in Sports News Television (Limited Partnership) a limited partnership with the same registered office at the company

A copy of the latest financial statements of the partnership is appended to the copy of the company's financial statements filed with the Registrar of Companies

### **13. Ultimate parent undertaking and controlling party**

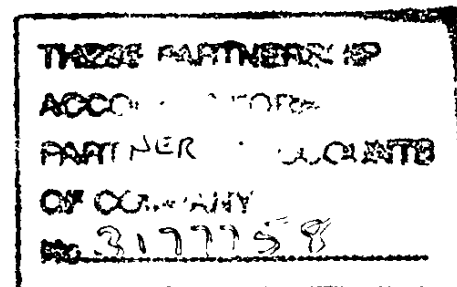
Sports News Television Management Limited is a 50 50 joint venture between Trans World International Inc (US) and The Associated Press Limited

LP 5161

## Sports News Television (Limited Partnership)

### Partnership Report and Financial Statements

31 December 2011



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## Sports News Television (Limited Partnership)

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### **Partners**

#### **General Partner**

Sports News Television Management Limited ('SNTV Management Limited')

#### **Limited Partners**

IMG Media Limited  
The Associated Press

#### **Auditor**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

#### **Bankers**

Skandinaviska Enskilda Banken  
Scandinavian House  
2 Cannon Street  
London EC4M 6XX

#### **Registered Office**

McCormack House  
Burlington Lane  
Hogarth Business Park  
London W4 2TH

## General partner's report

Sports News Television Management Limited (the 'General Partner') presents the annual Partnership report and financial statements for the year ended 31 December 2011. The financial statements are presented in US dollars (US\$).

### Principal activity and review of the business

The partnership operates as a television sports news agency for the supply of sports news to broadcasters and other persons, producing on average 50 feeds per week.

	2011 US\$	2010 US\$	Increase/ (decrease)	Increase/ (decrease) %
Turnover	24,093,584	26,229,362	(2,135,788)	(8%)
Operating Profit	13,266,585	16,238,739	(2,972,154)	(18%)
Net Profit	13,266,593	16,238,739	(2,972,146)	(18%)
Net Assets	2,285,550	3,008,564	(723,014)	(24%)

The result and position of the partnership were in line with partners' expectations. The decrease in profit compared to the previous year is due to an increased cost base and the loss of revenue from contract non-renewals, which is partly due to the lack of large sporting events in 2011.

### Future developments

The General Partner does not anticipate any significant change in the activities and results of the partnership in the foreseeable future.

### Partners' capital agreement

The partners during the year together with their share of capital were as follows:

Sports News Television Management Limited (General Partner)	–	(5%)
IMG Media Limited (Limited Partner)	–	(47.5%)
The Associated Press, a New York corporation (Limited Partner)	–	(47.5%)



## General partner's report

### Risks and uncertainties

The principal risks and uncertainties facing the partnership are

#### Loss of clients

The partnership may lose contracts/and or clients due to their merger or acquisition, business failure, or contract expiration. Such a loss may have a material impact on the partnership's results.

#### Credit risk

Invoicing is agreed with the customer in advance and the partnership does not offer extended credit terms. In addition, trade debtor balances are monitored on an ongoing basis with the result that the partnership's exposure to bad debts is minimised.

#### Exchange rate fluctuations

The partnership currently operates globally and is, and will continue to be, exposed to foreign currency rate fluctuations. The partnership uses external advice on currency dealings with its bank. Where possible, natural hedges are used.

### Events since the balance sheet date

The partnership declared and paid US\$6,100,000 in profit distributions after 31 December 2011.

### Going concern

The directors of the General Partner believe that the partnership has adequate financial resources to continue in operation for the foreseeable future. The financial statements have therefore been prepared on the going concern basis.

### Results and distributions

There was a profit for the year of US\$13,266,593 (2010 – profit of US\$16,238,739), which has been transferred to partners' capital accounts in accordance with the ratios set out in the partners' capital agreement below. The partnership distributed profits in the total amount of US\$13,989,606 during the year (2010 – distributions of US\$15,984,600).

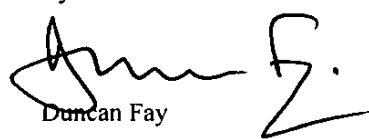
### Disclosure of information to the auditor

So far as each person who was a director of the General Partner 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 of the general partner and the partnership'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.

### Auditor

Ernst & Young LLP has been reappointed in accordance with a resolution of the partners.

By order of the General Partner

  
Duncan Fay  
Director

24/9/12

## Statement of general partner's responsibilities

The General Partner is responsible for preparing the General Partner's Report and the financial statements in accordance with applicable law and regulations

Company law requires the general partner to prepare financial statements for each financial year. Under that law the general partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under relevant law the general partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the General Partner is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable it to ensure that the financial statements comply with the partnership agreement. The General Partner is also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent auditor's report**

**to the members of Sports News Television (Limited Partnership)**

We have audited the financial statements of Sports News Television (Limited Partnership) for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 13. 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 partnership, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the partnership 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 partnership, as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of members and auditor**

As explained more fully in the General Partner's Responsibilities Statement set out on page 4, the general partner is 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 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 qualifying partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the partners, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Partnership Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 qualifying partnership's affairs as at 31 December 2011 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 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

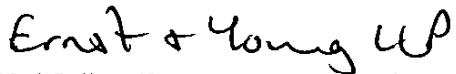
# Independent auditor's report

to the members of Sports News Television (Limited Partnership)

## 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 as applied to qualifying partnerships 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 members' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Neil Cullum (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP (Statutory Auditor)  
London

26/9/2012

## Profit and loss account

for the year ended 31 December 2011

	Notes	2011 US\$	2010 US\$
<b>Turnover</b>	2	24,093,584	26,229,362
Cost of sales		(6,312,795)	(6,332,999)
<b>Gross profit</b>		17,780,789	19,896,363
Administrative expenses		(4,514,204)	(3,657,624)
<b>Operating profit</b>	3,4	13,266,585	16,238,739
Interest receivable and similar income	5	8	–
<b>Profit for the financial year</b>	9	13,266,593	16,238,739

There is no difference between the reported profit for the year and the profit that would be reported under the historical cost convention

All activities relate to continuing operations

## Statement of total recognised gains and losses

for the year ended 31 December 2011


There are no recognised gains or losses other than the profit attributable to the partners of the Limited Partnership of US\$13,266,593 in the year ended 31 December 2011 (2010 – profit of US\$16,238,739)

## Sports News Television (Limited Partnership)

### Balance sheet

at 31 December 2011

	Notes	2011 US\$	2010 US\$
<b>Fixed assets</b>			
Tangible assets	6	447,258	134,804
<b>Current assets</b>			
Debtors	7	4,265,857	4,649,754
Cash at bank and in hand		501,218	847,256
		4,767,075	5,497,010
<b>Creditors</b> amounts falling due within one year	8	(2,928,783)	(2,623,250)
<b>Net current assets</b>		1,838,292	2,873,760
<b>Net assets</b>		2,285,550	3,008,564
<b>Partners' capital financial statements</b>			
SNTV Management Limited	9	174,792	191,944
The Associated Press	9	1,055,379	1,408,310
IMG Media Limited	9	1,055,379	1,408,310
<b>Capital and reserves</b>	9	2,285,550	3,008,564



Duncan Fay

Director of the General Partner

24/9/2012.

## Notes to the financial statements

at 31 December 2011

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with accounting standards applicable in the United Kingdom. The Partnership's functional and presentational currency is the US dollar.

#### *Going concern*

The directors of the General Partner believe that the partnership has adequate financial resources to continue in operation for the foreseeable future. The financial statements have therefore been prepared on the going concern basis.

#### *Statement of cash flows*

Under FRS 1, the partnership is exempt from the requirement to prepare a statement of cash flows on the grounds of its size.

#### *Tangible fixed assets*

Tangible fixed assets are recorded at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Fixtures and fittings	–	33.3% per annum
Production equipment	–	33.3% per annum
Computer equipment	–	33.3% per annum
Hosting hardware	–	50% per annum

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Production costs*

Production costs are charged to the profit and loss account as incurred.

#### *Taxation*

Under current UK tax legislation, the profits of the Limited Partnership are taxable on the individual partners. No tax charge is made in the profit and loss account of the Limited Partnership.

#### *Foreign currencies*

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are re-translated at the rates of exchange ruling at the balance sheet date, and differences are taken to the profit and loss account. The exchange rate as at 31 December 2011 was £1.00 – \$1.55 (2010: £1.00 – \$1.56).

#### *Post retirement benefits*

The partnership operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the partnership in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period (note 11).

## Notes to the financial statements

at 31 December 2011

### 1. Accounting policies (continued)

#### *Turnover*

Revenue is recognised to the extent that the partnership obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

#### *Rendering of services*

Revenue is recognised on a monthly basis as services are provided.

#### *Interest income*

Revenue is recognised as interest accrues using the effective interest method.

### 2. Turnover

Turnover is derived from the partnership's principal activity as defined in the General Partner's report, and is stated net of VAT.

	2011 US\$	2010 US\$
Geographical market by destination		
United Kingdom	965,116	1,131,065
Europe	7,592,235	8,821,818
Middle East	5,525,409	5,794,481
Rest of the world	10,010,824	10,481,998
	<u>24,093,584</u>	<u>26,229,362</u>

### 3. Operating profit

This is stated after charging/(crediting):

	2011 US\$	2010 US\$
Auditor's remuneration – audit services	<u>44,160</u>	<u>26,520</u>
Depreciation	<u>124,535</u>	<u>45,432</u>
Contributions to defined contribution pension scheme (note 11)	101,249	117,299
Foreign exchange loss / (gain)	<u>155,825</u>	<u>(82,414)</u>



## Notes to the financial statements

at 31 December 2011

### 4. Staff costs

The average monthly number of persons employed by the partnership during the year was 32 (2010 – 28)

The aggregate payroll cost of these employees was as follows

	2011 US\$	2010 US\$
Wages and salaries (including bonuses)	2,250,194	1,985,778
Social security costs	319,236	288,545
Other pension costs	101,249	117,299
	<u>2,670,679</u>	<u>2,391,622</u>

### 5. Interest receivable and similar income

	2011 US\$	2010 US\$
Bank interest	<u>8</u>	<u>—</u>

### 6. Tangible fixed assets

	<i>Production equipment</i> US\$	<i>Hosting hardware</i> US\$	<i>Computer equipment</i> US\$	<i>Fixture and fittings</i> US\$	<i>Total</i> US\$
Cost					
At 1 January 2011	255,665	74,637	41,344	120,236	491,882
Additions	365,754	—	60,584	10,651	436,989
At 31 December 2011	<u>621,419</u>	<u>74,637</u>	<u>101,928</u>	<u>130,887</u>	<u>928,871</u>
Depreciation					
At 1 January 2011	157,349	74,637	35,456	89,636	357,078
Charge for the year	103,052	—	20,634	849	124,535
At 31 December 2011	<u>260,401</u>	<u>74,637</u>	<u>56,090</u>	<u>90,485</u>	<u>481,613</u>
Net book value					
At 31 December 2011	<u>361,018</u>	<u>—</u>	<u>45,838</u>	<u>40,402</u>	<u>447,258</u>
At 1 January 2011	<u>98,316</u>	<u>—</u>	<u>5,888</u>	<u>30,600</u>	<u>134,804</u>

## Notes to the financial statements

at 31 December 2011

### 7. Debtors

	2011	2010
	US\$	US\$
Trade debtors	2,864,809	3,236,623
Amounts due from related parties	16,136	9,661
Prepaid expenses	279,981	599,652
Accrued revenue	373,996	192,877
VAT receivable	91,778	13,238
Other debtors	639,157	597,703
	<u>4,265,857</u>	<u>4,649,754</u>

### 8. Creditors: amounts due within one year

	2011	2010
	US\$	US\$
Trade creditors	82,904	(1,112)
Other taxes and social security costs	73,616	55,440
Accruals and deferred income	2,772,263	2,568,922
	<u>2,928,783</u>	<u>2,623,250</u>

### 9. Reconciliation of partners' capital accounts

	<i>Sports News Television Management Limited</i>	<i>The Associated Press</i>	<i>IMG Media Limited</i>	<i>Total</i>
	US\$	US\$	US\$	US\$
At 1 January 2011	191,944	1,408,310	1,408,310	3,008,564
Profit for the financial year	663,329	6,301,632	6,301,632	13,266,593
Partners' drawings	(680,481)	(6,654,563)	(6,654,563)	(13,989,607)
At 31 December 2011	<u>174,792</u>	<u>1,055,379</u>	<u>1,055,379</u>	<u>2,285,550</u>

### 10. Events since the balance sheet date

The partnership declared and paid US\$6,100,000 in profit distributions after 31 December 2011

### 11. Pensions

The partnership operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the partnership to the scheme and amounted to US\$101,249 (2010 – US\$117,299)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

## Notes to the financial statements

at 31 December 2011

### 12. Other financial commitments

The partnership had US\$nil capital commitments or contingent liabilities at 31 December 2011 (2010 – US\$nil)

### 13. Related Parties

Sports News Television (Limited Partnership) is a limited partnership. The partners, and their respective interests in the profits and losses of the partnership are set out in the General Partner's report on page 2.

Details of the partners' capital accounts are set out in note 9. Balances due from and to related parties are given in note 7 and note 8, respectively.

During the year the partnership purchased services from two of its partners, The Associated Press and IMG Media Limited, and other related parties, at arm's length, to the value of US\$2,616,699 (2010 – US\$2,206,481). At 31 December 2011, the outstanding balance payable to its partners was US\$nil (2010 – US\$nil). During the year the partnership sold subscriptions and ad-hoc revenue totalling US\$360,328 (2010 – US\$407,046) to its partners and other related parties. At 31 December 2011, the outstanding balance receivable from its partners and other related parties was US\$16,136 (2010 – US\$9,661).