

**Registered Number: 03177758**

**Sports News Television Management Limited**

**Report and Financial Statements**

**31 December 2012**

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# **Sports News Television Management Limited**

## **Report and financial statements 2012**

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# **Sports News Television Management Limited**

## **Report and financial statements 2012**

### **Officers and professional advisers**

#### **Directors**

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

#### **Secretary**

J Loffhagen

#### **Registered Office**

McCormack House  
Burlington Lane  
Hogarth Business Park  
London W4 2TH

#### **Bankers**

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

#### **Auditor**

Deloitte LLP  
Chartered Accountants  
London  
United Kingdom

# **Sports News Television Management Limited**

## **Directors' report**

The directors present their report and the financial statements for the year ended 31 December 2012

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under s418 of the Companies Act 2006

### **Activities**

### **Results and dividends**

The profit for the year after taxation amounted to £313,923 (2011 profit of £313,806) The directors paid a final dividend of £300,000 (2011 £320,000)

### **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**

After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in Note 1 to the financial statements

### **Directors**

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

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

# **Sports News Television Management Limited**

## **Directors' report**

### **Auditor**

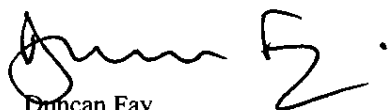
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'Duncan Fay', followed by a period.

Duncan Fay  
Director

5<sup>th</sup> February 2013

# **Sports News Television Management Limited**

## **Directors' responsibilities statement**

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,
- state whether applicable UK Accounting Standards 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 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 with reasonable accuracy at any time, the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 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.

# **Sports News Television Management Limited**

## **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 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 14. 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, 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 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 annual report 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**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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 matters prescribed in the Companies Act 2006**

In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Sports News Television Management Limited**

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## **Independent auditor's report to the members of Sports News Television Management Limited**

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### **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 take advantage of the small companies exemption in preparing the directors' report



Robert Matthews (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
5<sup>th</sup> February 2013



## **Sports News Television Management Limited**

### **Profit and loss account**

#### **Year ended 31 December 2012**

	Notes	2012 £	2011 £
Share of partnership profits	2	406,052	413,290
Administrative expenses		(1,093)	(8,492)
Exchange loss on operating activities		(5,295)	(1,189)
<b>Profit on ordinary activities before taxation</b>	3	<b>399,664</b>	<b>403,609</b>
Tax	4	(85,741)	(89,803)
<b>Profit for the financial year</b>	9	<b>313,923</b>	<b>313,806</b>

All results relate to continuing operations in the current and prior year

### **Statement of total recognised gains and losses**

#### **Year ended 31 December 2012**

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £313,923 in the year ended 31 December 2012 (2011 profit of £313,806)

# Sports News Television Management Limited

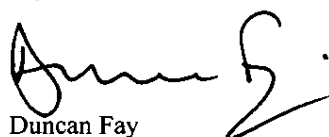
## Balance sheet

At 31 December 2012

	Notes	2012 £	2011 £
<b>Current assets</b>			
Debtors	6	82,383	93,614
Cash at bank and in hand		11,762	20,140
		<u>94,145</u>	<u>113,754</u>
<b>Creditors: amounts falling due within one year</b>	7	(43,998)	(77,530)
<b>Net assets</b>		<u>50,147</u>	<u>36,224</u>
<b>Capital and reserves</b>			
Called up share capital	8	5,000	5,000
Profit and loss account	9	45,147	31,224
<b>Shareholders' funds</b>	9	<u>50,147</u>	<u>36,224</u>

The financial statements of Sports News Television Management Limited, registered number 03177758 were approved by the Board of Directors on 5<sup>th</sup> February 2013

Signed on behalf of the Board of Directors



Duncan Fay  
Director

# **Sports News Television Management Limited**

## **Notes to the financial statements Year ended 31 December 2012**

### **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

#### **Going concern**

##### **Directors' assessment of going concern and subsequent events**

The company's business activities together with the factors likely to affect its future development, performance and position are discussed in the directors' report on pages 2 to 4

The current economic conditions create some uncertainty about the future demand. In noting this, the company benefits from a number of medium to long term contracts which reduce their short term exposure to such conditions and in turn limit short term volatility in the company's performance

The company generated a profit for the financial year of £313,923 (2011 £313,806), which includes a depreciation charge of £Nil. The Company has net current assets of £50,147 (2011 £36,224)

As a consequence, the directors believe that the company is adequately placed to manage its business risks successfully despite the current uncertain economic outlook

After making enquiries and based on the information presented above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

#### **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

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains/(losses) in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

# Sports News Television Management Limited

## Notes to the financial statements Year ended 31 December 2012

### 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 2012 was £1.00 – \$1.62 (2011: £1.00 – \$1.55).

Any exchange differences are recorded in the profit and loss account.

### Share of partnership

The profit and loss account includes the Company's share of partnership's profits less losses while the accumulated share of profits less drawings received are shown as 'Amounts due from partnership' in the balance sheet.

### 2. Share of partnership profits

This represents 5% of the profits of Sports News Television (Limited Partnership) for the year ended 31 December 2012 translated into sterling at the average rate for the year. The average rate for the year ended 31 December 2012 was £1.00 – \$1.58 (2011: £1.00 – \$1.605).

### 3. Profit on ordinary activities before taxation

	2012 £	2011 £
This is stated after charging		
Auditor's remuneration – audit services	1,000	6,400

None of the directors received remuneration for their qualifying services to the company (2011: £nil).

The company had no employees during the year (2011: none).

### 4. Tax

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

The tax charge is made up as follows

	2012 £	2011 £
<b>Current tax:</b>		
UK corporation tax on the profit for the year	85,741	89,803
Double taxation relief	(41,988)	(18,991)
	43,753	70,812
<b>Foreign tax</b>		
Adjustments in respect of prior years	41,988	18,991
	-	-
Tax on profit on ordinary activities (note 4(b))	85,741	89,803

# Sports News Television Management Limited

## Notes to the financial statements Year ended 31 December 2012

### (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 24.5% (2011: 26.5%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before taxation	399,664	403,609
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	97,918	106,956
Effects of Income not taxable for tax purposes	-	(809)
Marginal rate relief	(12,177)	(16,344)
Current tax for the year (note 4(a))	85,741	89,803

### 5. Dividends

	2012 £	2011 £
Paid during the year at £60 (2011: £64) per share	300,000	320,000

### 6. Debtors

	2012 £	2011 £
Amounts due from Sports News Television (Limited Partnership)	82,383	93,614
	82,383	93,614

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

	2012 £	2011 £
Accruals	1,100	7,000
Taxation	42,898	70,530
	43,998	77,530

### 8. Issued share capital

	2012 £	2011 £
Allotted, called up and fully paid 5,000 ordinary shares of £1 each	5,000	5,000

# Sports News Television Management Limited

## Notes to the financial statements Year ended 31 December 2012

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

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2012	5,000	31,224	36,224
Profit for the financial year	-	313,923	313,923
Dividends paid	-	(300,000)	(300,000)
At 31 December 2012	<u>5,000</u>	<u>45,147</u>	<u>50,147</u>

### 10. Capital commitments

The company had no capital commitments at 31 December 2012 (2011 £nil)

### 11. Contingent liabilities

There were no contingent liabilities at 31 December 2012 (2011 £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. Events since the balance sheet date

The partnership declared and paid US\$nil in profit distributions after 31 December 2012

### 14. 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

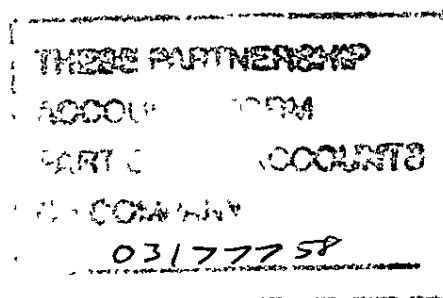
Trans World International Inc (US) is a wholly owned subsidiary of IMG Worldwide Holdings Inc which is incorporated in the USA and is controlled by certain Forstmann Little & Co partnerships. IMG Worldwide Holdings Inc is the largest and smallest group of which the company is a member and for which group financial statements are prepared. Requests for financial information should be addressed to John Raleigh, IMG Center, Suite 100, Cleveland, Ohio 44114, USA

The Associated Press Limited's ultimate parent company is The Associated Press Inc, which is incorporated in the United States of America and is both the smallest and the largest entity in the group for which group financial statements are prepared. The address of the company's ultimate parent undertaking is 450 West 33<sup>rd</sup> Street, New York, NY 10001

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

## **Partnership Report and Financial Statements**

**31 December 2012**



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

## **Report and financial statements 2012**

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

## **Report and financial statements 2012**

### **Officers and professional advisers**

#### **General Partner**

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

#### **Limited Partners**

IMG Media Limited  
The Associated Press

#### **Registered Office**

McCormack House  
Burlington Lane  
Hogarth Business Park  
London  
W4 2TH

#### **Bankers**

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

#### **Auditor**

Deloitte LLP  
Chartered Accountants  
London  
United Kingdom

# Sports News Television (Limited Partnership)

## 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 2012. 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.

The key performance indicators of the partnership are,

	2012 US\$	2011 US\$	Increase/ (decrease)	Increase/ (decrease) %
Turnover	25,387,346	24,093,584	1,293,762	5%
Operating Profit	12,869,423	13,266,585	(397,172)	(3%)
Net Profit	12,869,423	13,266,593	(397,170)	(3%)
Net Assets	2,586,536	2,285,550	300,986	13%

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, which is partly due to the large sporting events in 2012 and investment in the SNTV Digital product.

### 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%)

### 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.

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

## **General Partner's report**

### **Events since the balance sheet date**

The partnership declared and paid US\$nil in profit distributions after 31 December 2012

### **Going concern**

After making enquiries, the directors have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in Note 1 to the financial statements.

### **Results and distributions**

There was a profit for the year of US\$12,869,423 (2011 profit of US\$13,266,593), 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\$12,568,437 during the year (2011 distributions of US\$13,989,606).

### **Auditor**

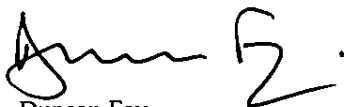
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the General Partner's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the General Partners auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Partners  
and signed on behalf of the Partners



Duncan Fay  
Director

5<sup>th</sup> February 2013

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

### **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.

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

### **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 2012 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 Statement of General Partner's Responsibilities 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 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 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 2012 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the General Partners Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

### **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



Robert Matthews (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
5<sup>th</sup> February 2013

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

### **Profit and loss account**

**Year ended 31 December 2012**

	Notes	2012 US\$	2011 US\$
<b>Turnover</b>	2	25,387,346	24,093,584
Cost of sales		(7,635,686)	(6,312,795)
<b>Gross profit</b>		17,751,660	17,780,789
Administrative expenses	4	(4,882,237)	(4,514,204)
<b>Operating profit</b>	3	12,869,423	13,266,585
Interest receivable and similar income	5	-	8
<b>Profit for the financial year</b>	9	12,869,423	13,266,593

All results relate to continuing operations in the current and prior year

### **Statement of total recognised gains and losses**

**Year ended 31 December 2012**

There are no recognised gains or losses other than the profit attributable to the partners of the Limited Partnership of US\$12,869,423 in the year ended 31 December 2012 (2011 profit of US\$13,266,593)

# Sports News Television (Limited Partnership)

## Balance sheet

At 31 December 2012

	Notes	2012 US\$	2011 US\$
<b>Fixed assets</b>			
Tangible assets	6	<u>279,586</u>	<u>447,258</u>
<b>Current assets</b>			
Debtors	7	4,372,056	4,265,857
Cash at bank and in hand		<u>1,630,209</u>	<u>501,218</u>
		6,002,265	4,767,075
<b>Creditors: amounts falling due within one year</b>	8	<u>(3,695,315)</u>	<u>(2,928,783)</u>
<b>Net current assets</b>		<u>2,306,950</u>	<u>1,838,292</u>
<b>Net assets</b>		<u>2,586,536</u>	<u>2,285,550</u>
<b>Partners' capital financial statements</b>			
SNTV Management Limited	9	162,550	174,792
The Associated Press	9	1,211,993	1,055,379
IMG Media Limited	9	<u>1,211,993</u>	<u>1,055,379</u>
<b>Capital and reserves</b>	9	<u>2,586,536</u>	<u>2,285,550</u>



Duncan Fay  
Director

5<sup>th</sup> February 2013



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

## **Notes to the financial statements Year ended 31 December 2012**

### **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**

##### **Directors' assessment of going concern and subsequent events**

The partnership's business activities together with the factors likely to affect its future development, performance and position are discussed in the directors' report on pages 2 to 4.

The current economic conditions create some uncertainty about the future demand. In noting this, the partnership benefits from a number of medium to long term contracts which reduce their short term exposure to such conditions and in turn limit short term volatility in the Partnership's performance.

The partnership generated a profit for the financial year of £12,869,423 (2011: £13,266,593), which includes a depreciation charge of £196,149. The partnership has net current assets of £2,306,950 (2011: £1,838,292).

As a consequence, the directors believe that the partnership is adequately placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries and based on the information presented above, the directors have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### **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.

# Sports News Television (Limited Partnership)

## Notes to the financial statements Year ended 31 December 2012

### 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 2012 was £1.00 – \$1.62 (2011 £1.00 – \$1.55).

### 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).

### 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.

	2012 US\$	2011 US\$
Geographical market by destination		
United Kingdom	1,022,361	965,116
Europe	7,919,162	7,592,235
Middle East	6,285,209	5,525,409
Rest of the world	10,160,614	10,010,824
	<u>25,387,346</u>	<u>24,093,584</u>

## 3. Operating profit

	2012 US\$	2011 US\$
This is stated after charging/(crediting)		
Auditor's remuneration – audit services	30,400	44,160
Depreciation	<u>196,149</u>	<u>124,535</u>
Contributions to defined contribution pension scheme (note 11)	119,098	101,249
Foreign exchange loss/(gain)	<u>6,755</u>	<u>155,825</u>

## Sports News Television (Limited Partnership)

### Notes to the financial statements

#### Year ended 31 December 2012

#### 4. Staff costs

The average monthly number of persons employed by the partnership during the year was 35 (2011: 32). The aggregate payroll cost of these employees was as follows:

	2012 US\$	2011 US\$
Wages and salaries (including bonuses)	2,724,383	2,250,194
Social security costs	374,366	319,236
Other pension costs	119,098	101,249
	<u>3,217,847</u>	<u>2,670,679</u>

#### 5. Interest receivable and similar income

	2012 US\$	2011 US\$
Bank interest	<u>-</u>	<u>8</u>

#### 6. Tangible fixed assets

	Production equipment US\$	Hosting hardware US\$	Computer equipment US\$	Fixture and fittings US\$	Total US\$
<b>Cost</b>					
At 1 January 2012	621,419	74,637	101,928	130,887	928,871
Additions	13,474	-	15,001	-	28,475
Disposals	(74,578)				(74,578)
At 31 December 2012	<u>560,315</u>	<u>74,637</u>	<u>116,929</u>	<u>130,887</u>	<u>882,768</u>
<b>Depreciation</b>					
At 1 January 2012	260,401	74,637	56,090	90,485	481,613
Charge for the year	138,217	-	17,528	40,402	196,147
Disposals	(74,578)				(74,578)
At 31 December 2012	<u>324,040</u>	<u>74,637</u>	<u>73,618</u>	<u>130,887</u>	<u>603,182</u>
<b>Net book value</b>					
At 31 December 2012	<u>236,275</u>	<u>-</u>	<u>43,311</u>	<u>-</u>	<u>279,586</u>
At 31 December 2011	<u>361,018</u>	<u>-</u>	<u>45,838</u>	<u>40,402</u>	<u>447,258</u>

## Sports News Television (Limited Partnership)

### Notes to the financial statements Year ended 31 December 2012

#### 7. Debtors

	2012 US\$	2011 US\$
Trade debtors	3,262,758	2,864,809
Amounts due from related parties	65,308	16,136
Prepaid expenses	511,989	279,981
Accrued revenue	399,529	373,996
VAT receivable	95,249	91,778
Other taxes and social security costs	12,959	-
Other debtors	24,264	639,157
	<u>4,372,056</u>	<u>4,265,857</u>

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

	2012 US\$	2011 US\$
Trade creditors	-	82,904
Amounts due to related parties	224,746	-
Other taxes and social security costs	-	73,616
Accruals and deferred income	3,470,569	2,772,263
	<u>3,695,315</u>	<u>2,928,783</u>

#### 9. Reconciliation of partners' capital accounts

	Sports News Television Management Limited US\$	The Associated Press US\$	IMG Media Limited US\$	Total US\$
At 1 January 2012	174,792	1,055,379	1,055,379	2,285,550
Profit for the financial year	643,471	6,112,976	6,112,976	12,869,423
Partners' drawings	(655,713)	(5,956,362)	(5,956,362)	(12,568,437)
At 31 December 2012	<u>162,550</u>	<u>1,211,993</u>	<u>1,211,993</u>	<u>2,586,536</u>

#### 10. Events since the balance sheet date

The partnership declared and paid US\$nil in profit distributions after 31 December 2012

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

### **Notes to the financial statements Year ended 31 December 2012**

#### **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\$119,098 (2011 US\$101,249).

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

#### **12. Other financial commitments**

The partnership had US\$nil capital commitments or contingent liabilities at 31 December 2012 (2011 US\$nil). The partnership is holding client deposits of \$19,800 (2011 \$19,800).

#### **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\$2,293,246 (2011 US\$2,616,699).

At 31 December 2012, the outstanding balance payable to its partners was US\$224,746 (2011 US\$nil).

During the year the partnership sold subscriptions and ad-hoc revenue totalling US\$203,336 (2011 US\$360,328) to its partners and other related parties. At 31 December 2012, the outstanding balance receivable from its partners and other related parties was US\$65,308 (2011 US\$16,136).

