

Registered Number: 03177758

Sports News Television Management Limited

Report and Financial Statements

31 December 2013



Sports News Television Management Limited

Report and financial statements 2013

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Sports News Television Management Limited

Report and financial statements 2013

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 2013

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under s415A of the Companies Act 2006

Results

The profit for the year after taxation amounted to £350,300 (2012 profit of £313,923)

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

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 auditors are 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 auditors are 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



Duncan Fay
Director

[DATE] 2014

28/02/2014

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.

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 2013 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 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 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on 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.

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



Andrew Evans (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
28th February 2014

Sports News Television Management Limited

Profit and loss account

Year ended 31 December 2013

	Notes	2013 £	2012 £
Share of partnership profits	2	472,890	406,052
Administrative expenses		(2,340)	(1,093)
Exchange loss on operating activities		(108)	(5,295)
Profit on ordinary activities before taxation	3	<u>470,442</u>	<u>399,664</u>
Tax on profit on ordinary activities	4	(120,142)	(85,741)
Profit for the financial year	9	<u><u>350,300</u></u>	<u><u>313,923</u></u>

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

Statement of total recognised gains and losses

Year ended 31 December 2013

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £350,300 in the year ended 31 December 2013 (2012 profit of £313,923)

Sports News Television Management Limited

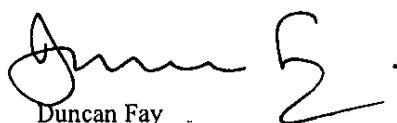
Balance sheet

At 31 December 2013

	Notes	2013 £	2012 £
Current assets			
Debtors	6	145,984	82,383
Cash at bank and in hand		35,068	11,762
		<u>181,052</u>	<u>94,145</u>
Creditors: amounts falling due within one year	7	<u>(80,605)</u>	<u>(43,998)</u>
Net assets		<u>100,447</u>	<u>50,147</u>
Capital and reserves			
Called up share capital	8	5,000	5,000
Profit and loss account	9	95,447	45,147
Shareholders' funds	9	<u>100,447</u>	<u>50,147</u>

The financial statements of Sports News Television Management Limited, registered number 03177758 were approved by the Board of Directors on [DATE] 2014 28/02/2014

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 2013

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

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 company generated a profit for the financial year of £350,300 (2012 £313,923). The partnership has net assets of £100,447 (2012 £50,147)

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

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 or 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

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 2013 was £1.00 – \$1.65 (2012 £1.00 – \$1.62)

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 2013 translated into sterling at the average rate for the year. The average rate for the year ended 31 December 2013 was £1.00 – \$1.57 (2012 £1.00 – \$1.58)

Sports News Television Management Limited

Notes to the financial statements Year ended 31 December 2013

3. Profit on ordinary activities before taxation

	2013 £	2012 £
This is stated after charging		
Auditor's remuneration – audit services	2,340	1,000

None of the directors received remuneration for their qualifying services to the company (2012 £nil)

The company had no employees during the year (2012 none)

4 Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2013 £	2012 £
Current tax:		
UK corporation tax on the profit for the year	101,893	85,741
Double taxation relief	(25,868)	(41,988)
Adjustments in respect of previous periods	(23,739)	-
	52,286	43,753
Foreign tax	25,868	41,988
Adjustments in respect of previous periods	41,988	-
	120,142	85,741

(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 23.25% (2012 24.5%). The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before taxation	470,442	399,664
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 24.5%)	109,378	97,918
Effects of		
Income not taxable for tax purposes	-	-
Foreign tax	67,856	41,988
Double taxation relief	(25,868)	(41,988)
Marginal rate relief	(7,485)	(12,177)
Adjustments in respect of previous periods	(23,739)	-
Current tax for the year (note 4(a))	120,142	85,741

Sports News Television Management Limited

Notes to the financial statements Year ended 31 December 2013

5 Dividends

	2013 £	2012 £
Paid during the year at £60 (2012 £60) per share	300,000	300,000

6 Debtors

	2013 £	2012 £
Amounts due from Sports News Television (Limited Partnership)	145,984	82,383
	145,984	82,383

7. Creditors: amounts falling due within one year

	2013 £	2012 £
Accruals	3,440	1,100
Corporation Tax	77,165	42,898
	80,605	43,998

8 Called up share capital

	2013 £	2012 £
Allotted, called up and fully paid 5,000 ordinary shares of £1 each	5,000	5,000

9. Reconciliation of shareholders' funds and movements on reserves

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2013	5,000	45,147	50,147
Profit for the financial year	-	350,300	350,300
Dividends paid	-	(300,000)	(300,000)
At 31 December 2013	5,000	95,447	100,447

10. Capital commitments

The company had no capital commitments at 31 December 2013 (2012 £nil)

11. Contingent liabilities

There were no contingent liabilities at 31 December 2013 (2012 £nil)

Sports News Television Management Limited

Notes to the financial statements Year ended 31 December 2013

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 2013

On 18th December 2013 Forstmann & Little entered into an agreement to sell its stake in IMG Worldwide Holdings Inc to Silver Lake Partners and William Morris Endeavour Entertainment LLC

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 33rd Street, New York, NY 10001

Sports News Television (Limited Partnership)

Partnership Report and Financial Statements

31 December 2013

Sports News Television (Limited Partnership)

Report and financial statements 2013

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Sports News Television (Limited Partnership)

Report and financial statements 2013

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 and Statutory Auditor
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 2013. 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,

	2013 US\$	2012 US\$	Increase	Increase %
Turnover	27,150,734	25,387,346	1,763,388	7%
Net Profit	14,817,241	12,869,423	1,947,818	15%
Net Assets	4,284,186	2,586,536	1,697,650	66%

The result and position of the partnership were in line with the partners' expectations. The increase in profit compared to the previous year is due to increased revenue and no one single large sporting event cost base.

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.

Events since the balance sheet date

The partnership declared and paid US\$nil in profit distributions after 31 December 2013.

Sports News Television (Limited Partnership)

General Partner's report

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\$14,817,241 (2012 profit of US\$12,869,423), 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\$13,119,591 during the year (2012 distributions of US\$12,568,437).

Auditor

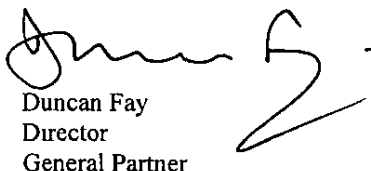
Each of the persons who is a director at the date of approval of this report confirms that

- 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
General Partner

28th February 2014

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.

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 2013 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 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 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Opinion on other matter prescribed by the Companies Act 2006

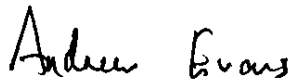
In our opinion the information given in the General Partners Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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



Andrew Evans (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
28th February 2014

Sports News Television (Limited Partnership)

Profit and loss account

Year ended 31 December 2013

	Notes	2013 US\$	2012 US\$
Turnover	2	27,150,734	25,387,346
Cost of sales		(7,235,984)	(7,635,686)
Gross profit		19,914,750	17,751,660
Administrative expenses	4	(5,097,509)	(4,882,237)
Operating profit	3	14,817,241	12,869,423
Interest receivable and similar income		-	-
Profit for the financial year	8	<u>14,817,241</u>	<u>12,869,423</u>

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

Statement of total recognised gains and losses

Year ended 31 December 2013

There are no recognised gains or losses other than the profit attributable to the partners of the Limited Partnership of US\$14,817,241 in the year ended 31 December 2013 (2012 profit of US\$12,869,423)

Sports News Television (Limited Partnership)

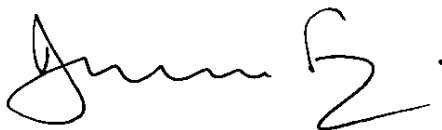
Balance sheet

At 31 December 2013

	Notes	2013 US\$	2012 US\$
Fixed assets			
Tangible assets	5	298,848	279,586
Current assets			
Debtors	6	5,588,376	4,372,056
Cash at bank and in hand		2,014,746	1,630,209
		7,603,122	6,002,265
Creditors: amounts falling due within one year	7	(3,617,784)	(3,695,315)
Net current assets		3,985,338	2,306,950
Net assets		4,284,186	2,586,536
Partners' capital financial statements			
SNTV Management Limited	8	247,432	162,550
The Associated Press	8	2,018,377	1,211,993
IMG Media Limited	8	2,018,377	1,211,993
Capital and reserves	8	4,284,186	2,586,536

The financial statements of Sports News Television (Limited Partnership) Partnership) were approved by the Board of Directors on [DATE] 2014 28/02/2014

Signed on behalf of the Partners



Duncan Fay
Director
General Partner

[DATE] 2014

28/02/2014

Sports News Television (Limited Partnership)

Notes to the financial statements

Year ended 31 December 2013

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

Partners' 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 General Partners 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 \$14,817,241 (2012: \$12,869,423), which includes a depreciation charge of \$207,323. The partnership has net assets of \$4,284,186 (2012: \$2,586,536).

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 2013

1. Accounting policies (continued)

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 2013 was £1.00 - \$1.60 (2012: £1.00 - \$1.58).

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.

	2013 US\$	2012 US\$
Geographical market by destination		
United Kingdom	1,201,347	1,022,361
Europe	7,777,837	7,919,162
Middle East	5,633,374	6,285,209
Rest of the world	12,538,176	10,160,614
	<u>27,150,734</u>	<u>25,387,346</u>

3. Operating profit

	2013 US\$	2012 US\$
This is stated after charging/(crediting)		
Auditor's remuneration – audit services	28,256	30,400
– non audit services	800	-
Depreciation	207,323	196,149
Contributions to defined contribution pension scheme (note 11)	123,664	119,098
Foreign exchange(gain)/ loss	<u>(30,754)</u>	<u>6,755</u>

Sports News Television (Limited Partnership)

Notes to the financial statements

Year ended 31 December 2013

4. Staff costs

The average monthly number of persons employed by the partnership during the year was 36 (2012: 35). The aggregate payroll cost of these employees was as follows:

	2013 US\$	2012 US\$
Wages and salaries (including bonuses)	3,138,421	2,724,383
Social security costs	447,902	374,366
Other pension costs	123,664	119,098
	<u>3,709,987</u>	<u>3,217,847</u>

5. Tangible fixed assets

	Production equipment US\$	Hosting hardware US\$	Computer equipment US\$	Fixture and fittings US\$	Total US\$
Cost					
At 1 January 2013	560,315	74,637	116,929	130,887	882,768
Additions	190,106	-	36,479	-	226,585
At 31 December 2013	<u>750,421</u>	<u>74,637</u>	<u>153,408</u>	<u>130,887</u>	<u>1,109,353</u>
Depreciation					
At 1 January 2013	324,040	74,637	73,618	130,887	603,182
Charge for the year	180,229	-	27,094	-	207,323
At 31 December 2013	<u>504,269</u>	<u>74,637</u>	<u>100,712</u>	<u>130,887</u>	<u>810,505</u>
Net book value					
At 31 December 2013	<u>246,152</u>	<u>-</u>	<u>52,696</u>	<u>-</u>	<u>298,848</u>
At 31 December 2012	<u>236,275</u>	<u>-</u>	<u>43,311</u>	<u>-</u>	<u>279,586</u>

Sports News Television (Limited Partnership)

Notes to the financial statements Year ended 31 December 2013

6. Debtors

	2013 US\$	2012 US\$
Trade debtors	4,532,224	3,262,758
Amounts due from related parties	151,449	65,308
Prepaid expenses	636,854	511,989
Accrued revenue	210,266	399,529
VAT receivable	57,583	95,249
Other taxes and social security costs	-	12,959
Other debtors	-	24,264
	<u>5,588,376</u>	<u>4,372,056</u>

7. Creditors: amounts due within one year

	2013 US\$	2012 US\$
Trade creditors	11,285	-
Amounts due to related parties	139,332	224,746
Other taxes and social security costs	76,926	-
Accruals and deferred income	3,390,241	3,470,569
	<u>3,617,784</u>	<u>3,695,315</u>

8. Reconciliation of partners' capital accounts

	Sports News Television Management Limited US\$	The Associated Press US\$	IMG Media Limited US\$	Total US\$
At 1 January 2013	162,550	1,211,993	1,211,993	2,586,536
Profit for the financial year	740,863	7,038,189	7,038,189	14,817,241
Partners' drawings	(655,981)	(6,231,805)	(6,231,805)	(13,119,591)
At 31 December 2013	<u>247,432</u>	<u>2,018,377</u>	<u>2,018,377</u>	<u>4,284,186</u>

9 Events since the balance sheet date

The partnership declared and paid US\$nil in profit distributions after 31 December 2013

Sports News Television (Limited Partnership)

Notes to the financial statements Year ended 31 December 2013

10. 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\$123,664 (2012: US\$119,098).

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

11. Other financial commitments

The partnership had US\$nil capital commitments or contingent liabilities at 31 December 2013 (2012: US\$nil). The partnership is holding client deposits of \$19,800 (2012: \$19,800).

12. 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\$3,449,495 (2012: US\$2,293,246). At 31 December 2013, the outstanding balance payable to its partners was US\$139,332 (2012: US\$224,746). During the year the partnership sold subscriptions and ad-hoc revenue totalling US\$784,638 (2012: US\$203,336) to its partners and other related parties. At 31 December 2013, the outstanding balance receivable from its partners and other related parties was US\$151,449 (2012: US\$65,308).