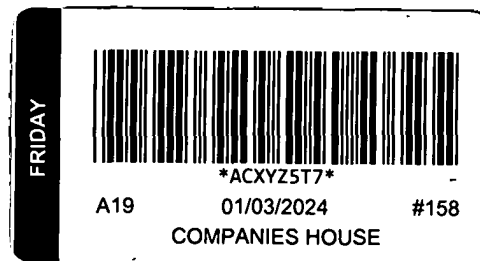


Company registration number: 01927955

Turner Broadcasting System Europe Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022



Turner Broadcasting System Europe Limited

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Turner Broadcasting System Europe Limited

Company Information

Directors	H J Woolf R J Friend A Georgiou
Independant auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Banker	Barclays Bank PLC 8/9 Hanover Square London W1A 4ZW
Registered office	160 Old Street London EC1V 9BW

Turner Broadcasting System Europe Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their Strategic Report for the year ended 31 December 2022. In preparing the Strategic Report, the directors have complied with section 414c of the Companies Act 2006. The company is a wholly owned subsidiary of Warner Bros Discovery Inc "WBD Inc."

Principal activities

The company's principal activities are:

- the operation of 24 hour entertainment television networks throughout the United Kingdom ("the UK"), Europe, Africa, and Middle East;
- the licensing of the 24 hour news programmes of Cable News Network Inc.;
- the provision of advertising representative services to group undertakings; and
- the provision of management services to group undertakings
- the company has no plans to change these activities.

Results

Profit for the year after taxation amounted to €40,538,000 (2021 - €75,785,000).

Review of the business and KPIs

The company's key financial and other performance indicators during the year were as follows:

	Unit	2022	Restated 2021
Turnover	€'000	352,267	389,177
Gross profit	€'000	112,441	152,854
Operating profit	€'000	43,670	88,891
Operating margin	%	12	23
Number of employees		453	480

The Company's turnover decreased year on year by 9%. This coupled with an impairment of intangible fixed assets has led to a decrease in operating profit of 51%.

Turner Broadcasting System Europe Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Principal risks and uncertainties

An analysis of the risks and uncertainties of Warner Bros. Discovery Inc. are discussed in item 1A the group's Annual Report which is publicly available.

The principal risks and uncertainties facing the company are detailed below.

The media industry in the UK and Europe is subject to substantial competitive pressure and rapid technological change, and this is a continuing risk for the company which could result in loss of sales and increased costs. The company manages this risk by monitoring market trends and developing new methods of media distribution.

The company licenses and creates programmes for sale to its customers. Changing consumer demands for entertainment content expose the company to the risk that programming inventory may become less popular with audiences. The company procures content targeted to key demographics and monitors trends around consumer habits.

Sales and expenditures are made in many currencies other than the Euro and the company is therefore exposed to foreign currency exchange rate movements. Any uncertainty in currency movement is mitigated through FX hedging which is delegated to Warner Bros. Discovery, Inc. and is managed at group level. Financial risks are managed at the group level. Accounts Receivable collectability risk is managed at the entity level.

Service disruptions or failures in information systems and networks as a result of computer viruses or misappropriation of data may disrupt the company's business, damage its reputation or have a negative impact on its results or operations. Although the company develops and maintains information security practices and systems designed to prevent these events occurring, development and maintenance of these systems is costly and is likely to increase as the threats become more sophisticated.

The company is subject to a variety of laws and regulations. The company could incur significant costs to comply with new laws and regulations or substantial penalties or other liabilities if it fails to comply with them. Compliance with new laws and regulations could also cause the company to change or limit its business practices in a manner that is adverse to its business.

Turner Broadcasting System Europe Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Section 172(1) Statement

Introduction

Each of the directors of Turner Broadcasting System Europe Limited ("the Company") are aware of their obligation to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so to have regard to the matters set out in paragraphs (a) to (f) of Section 172(1) of the Companies Act 2006 ("Section 172(1)").

The immediate parent company of the Company is Turner Broadcasting System Holdings (Europe) Limited, which holds all the shares in the Company. The Company and Turner Broadcasting System Holdings (Europe) Limited are each a wholly-owned indirect subsidiary of Warner Bros. Discovery, Inc. ("WBD Inc."), a United States company listed on the Nasdaq Global Select Market and governed by the listing rules of the United States Securities and Exchange Commission. The Board of the Company accepts WBD Inc.'s group policy that all of WBD Inc.'s directly and indirectly wholly-owned subsidiaries must have regard to the interests of all identifiable stakeholders when making board decisions.

The directors consider it essential to maintain the Company's and WBD Inc.'s reputation for high standards of business conduct. The directors are responsible for setting, monitoring, and upholding the culture, values, standards, ethics, and brand of WBD Inc. in all markets the Company operates in, to ensure that the Company's obligations to its shareholders, employees, customers and third parties are met. The directors are also focused on the wider social context in which the Company operates and looks to build relationships with all stakeholders based on continuing dialogue and openness.

The directors continue to have regard to the interests of the Company's employees and other stakeholders, including the Company's activities in the community and the Company's reputation when making decisions. Whilst acting in good faith and fairly towards its sole member, the directors consider what is most likely to promote the success of the Company for its sole member in the long term.

Standards of Business Conduct

A copy of the detailed Code of Ethics approved by the directors is set out at: <https://wbd.com/code-of-ethics/>. The Code of Ethics includes details of the WBD Inc group mission, Guiding Principles, and Purpose and Overview. The Code covers a broad range of topics upon which all employees must agree to observe at all times. Regular training is offered to all employees. The Code includes key topics such as complying with laws and regulations, making the right ethical decisions, accounting practices, conflicts of interest, anti-corruption, cross border business, fair competition, insider trading, misuse of funds and fraud, respecting human rights, confidential information and intellectual property, data privacy, communicating with the public, using social media, political activity, company resources, diversity, equal opportunity and non-discrimination, harassment free workplace, safe and healthy work environment and whistleblowing.

Key Strategic Decisions

For each matter which comes before the directors, they consider the likely consequences of any decision in the long-term and identify stakeholders who may be affected and carefully consider their interests and any potential impact as part of the decision-making process. The board is aware of the importance of the likely consequences of any decisions made, in the long term, which are also considered in the interests of our colleagues, the need to foster the Company's business relationships with suppliers, customers and other key stakeholders and the impact of the Company's operations on communities and the environment.

Turner Broadcasting System Europe Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Section 172(1) Statement (continued)

Relations with Employees

The Company actively seeks regular engagement with all employees. The Company deeply values its employees and works hard to provide a strong support system and inclusive environment to help them succeed at work and home. In 2022, the Company continued to ensure regular townhall meetings and messages to support all employees. The Company used WorkPlace, town hall meetings, employee forums, global internal communications, and informal meetings to facilitate engagement with employees on a wide range of matters.

Employee engagement surveys are launched on a yearly basis to provide ongoing feedback to directors. In 2022, the directors considered the results of the Employee Survey for the WBD Inc. international business on a regional basis and approved the required corporate actions arising from it. The Company carefully considered the results of the employee survey and employees views were directly taken into account when forming decisions regarding corporate actions, in relation to incentives, benefits, pay, performance and development.

The Company provides employees with access to an Employee Assistance Programme, which provides a confidential support line and a range of support such as counselling and information on issues such as family care, education and finance and debt.

The Company also strives to ensure that employees feel included and empowered by supporting a wide range of employee resource groups and the directors ensure that employee interests are met by a variety of People & Culture initiatives relating to: Talent Recruitment and Retention; Diversity, Equity, and Inclusion; and Leadership Diversity & Inclusion.

Relations with Stakeholders

The directors engage directly with stakeholders on certain issues but due to the size and distribution of stakeholders, this engagement often takes place at operational level. The directors consider reporting and information from across the organisation to help them understand the impact of the Company's operations and the interests and views of the key stakeholders. The directors also review strategy, financial and operational performance, as well as information covering areas such as key risks, legal and regulatory compliance. As a result of these activities, the directors have an overview of engagement with stakeholders and other relevant factors.

(1) Consumers

The Company receives regular reporting on customer outcomes and customer-related strategic initiatives throughout the year. The Company closely monitors customer metrics and addresses any issues and concerns if performance does not meet expectations.

(2) Suppliers

The Company maintains oversight of the management of its most important suppliers via reporting from the procurement organization. All supplier related activity is managed in line with the Group Procurement Policy.

Turner Broadcasting System Europe Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Section 172(1) Statement (continued)

Impact of operations on the community and the environment

Community

As a purpose-driven company, the Company is committed to making the world a better place by leveraging the Company's market-leading global platform, and by extending the reach and influence of like-minded organisations and causes. The Company is also dedicated to employee volunteer programmes as part of a strategy of corporate social responsibility to improve the lives of the wider community in which the Company operates. A copy of the Community Policy for the Company appears at: <https://wbd.com/esg/our-community/>

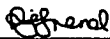
Environment

A copy of the Environment Policy for the Company appears at: <https://wbd.com/esg/our-planet/> which sets out WBD Inc. group's commitment to curbing its own impact on the environment.

Relations with Shareholders

The directors note that the need to act fairly as between members (i.e., shareholders) of the Company (as set out in paragraph (f) of Section 172(1)) requires less consideration in standard decision-making processes, given that the Company has only a single member, but note that they welcome opportunities to engage with the sole shareholder.

On behalf of the Board



Jamie Friend (Feb 28, 2024 16:53 GMT)

R J Friend
Director

Date: 28 February 2024

Turner Broadcasting System Europe Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Dividends

No dividends have been paid in respect of the year ended 31 December 2022 (2021: €Nil).

Going concern

The directors have reviewed the current financial performance and position of the company and are confident that it will not lead to the company no longer being a going concern. In the unlikely event that it is not possible for the company to meet its liabilities as they fall due and also due to the centralised cash pooling arrangements, the ultimate parent company, Warner Bros. Discovery, Inc. has agreed to provide continued financial support to the company for the foreseeable future, for at least 12 months from the date of approval of the financial statements, to meet its obligations as and when they fall due.

Taking into account the position of the ultimate parent company, the directors are of the view that there are no events expected to have a material adverse impact on the company's ability to continue as a going concern, for a period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Directors of the company

Except as noted below, the following were directors of the company who served throughout the year:

P Dogra (resigned 29 September 2023)

R J Friend

E Browne (resigned 28 February 2023)

The following directors were appointed after the year end:

H J Woolf (appointed 20 February 2023)

A Georgiou (appointed 13 October 2023)

The Articles of Association do not require directors to retire either by rotation or in the year of appointment.

Turner Broadcasting System Europe Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Directors qualifying third party indemnity provisions

The company may indemnify one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 and the company may purchase insurance for this purpose. Warner Bros. Discovery Inc., has purchased a directors and officers liability insurance policy for the benefit of the company and its directors and such policy was in force during the year and is in force as at the date of approving the Directors' Report.

Employee and Business Engagement

The Directors have chosen, in accordance with section 414C(11) of the Companies Acts 2006 (the "Act"), to include in the Strategic Report matters relating to the Company's engagement with employees, and the Company's engagement with suppliers, customers and others in a business relationship with the Company (as would otherwise be required by regulations made under section 416(4) of the Act to be disclosed in the Directors' Report) on the basis that the Directors consider such matters to be of strategic importance to the Company.

Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities adequately meet the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Turner Broadcasting System Europe Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Streamlined Energy and Carbon Reporting (SECR)

This section includes reporting of the company's greenhouse gas emissions and energy usage for the year ending 31 December 2022 in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The company's approach to reporting is based on the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard.

Where applicable gas consumption was converted using Federal Register EPA; 40 CFR Part 98; e-CFR, June 13, 2017.

Emissions were calculated with the 2022 DEFRA emission factors.

In absence of exact fuel types UK Vehicle Licensing Statistics was used to determine fuel types. For the estimation we have used the 'Vehicles statistics' table VEH1103a_RoadUsing, issued by the Department for Transport. In absence of the exact engine sizes of the vehicles, average conversion factors from U.S. Energy Information Administration - British Thermal Unit were used to calculate emissions.

In some cases, we have extrapolated total emissions by using available information from part of a reporting period and extending it to apply to the full reporting year.

The SECR disclosure presents our carbon footprint within the United Kingdom across Scope 1, 2 and to some extent, Scope 3 emissions. It contains appropriate intensity metrics, the total energy use of electricity, gas and transport fuel, and a summary of energy efficiency actions taken during the financial year.

	31 December 2022	Restated 31 December 2021
Energy consumption used to calculate emissions (kWh)	527,537	490,238
Emissions from combustion of gas (Scope 1) tCO ₂ e	-	-
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) tCO ₂ e	-	-
Emissions from purchased electricity (Scope 2, location-based) tCO ₂ e	102	104
Total gross tCO ₂ e based on above	102	104
Intensity ratio (tCO ₂ e/ employees)	0.225170	0.218220

Average employees for the company was 453 (2021 - 480).

***Disclaimers:**

Please note that some figures for 2021 have changed due to recalculation. The energy consumption, the relevant emissions and the intensity ratios have been updated accordingly.

Turner Broadcasting System Europe Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Energy efficiency actions taken

The Company has continued to make a concerted effort to reduce its carbon footprint. Examples of initiatives that have progressed through the financial year include:

- Requirements to work from home where possible advanced a reduction in office footprint.
- Travel emissions were reduced as staff attended meetings and conferences virtually.
- LED lighting controlled by occupancy sensors supported a further reduction in energy use.
- Temperature control was managed by state-of-the-art technology.
- New enterprise-level software provided quality assurance and data capture capability for energy and carbon management.
- Use of Bywaters Waste Management services - majority of all waste has been recycled in 2022.

Disclosure of information to the auditors

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 the information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.


Turner Broadcasting System Europe Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Reappointment of auditors

Ernst & Young resigned as auditor on 10 January 2023 and PricewaterhouseCoopers LLP were appointed as the Company's auditor pursuant to a resolution of the sole shareholder on 13 January 2023. PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and as a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board


James Friend (Feb 28, 2024 16:53 GMT)

R J Friend
Director

Date: 28 February 2024

Turner Broadcasting System Europe Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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 the year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 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.

Turner Broadcasting System Europe Limited

Independent Auditor's Report to the Members of Turner Broadcasting System Europe Limited (continued)

Report on the audit of the financial statements

Opinion

In our opinion, Turner Broadcasting System Europe Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Statement of Financial Position as at 31 December 2022; Income Statement and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Turner Broadcasting System Europe Limited

Independent Auditor's Report to the Members of Turner Broadcasting System Europe Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Turner Broadcasting System Europe Limited

Independent Auditor's Report to the Members of Turner Broadcasting System Europe Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results. Audit procedures performed by the engagement team included:

- Inquiries with management of known or suspected instances of non-compliance with laws and regulations, and fraud;
- Inquiries with management and internal counsel regarding any litigation;
- Identifying and testing validity of journal entries, in particular any journal entries posted with unusual account combinations;
- Reviewing board meeting minutes up to the date of the audit report.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Turner Broadcasting System Europe Limited

Independent Auditor's Report to the Members of Turner Broadcasting System Europe Limited (continued)

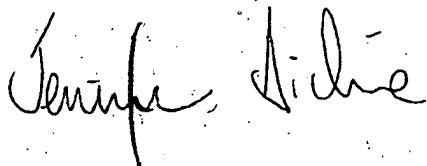
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jennifer Dickie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 29 February 2024

Turner Broadcasting System Europe Limited

Income Statement for the Year Ended 31 December 2022

		Year ended 31 December 2022 € 000	Restated* Year ended 31 December 2021 € 000
	Note		
Turnover	2	352,267	389,177
Cost of sales		(200,868)	(232,968)
Impairment of intangible fixed assets	3	<u>(38,958)</u>	<u>(3,355)</u>
Gross profit		112,441	152,854
Administrative expenses		<u>(68,771)</u>	<u>(63,963)</u>
Operating profit	3	43,670	88,891
Interest receivable and similar income	6	408	665
Interest payable and similar expenses	7	<u>(96)</u>	<u>(131)</u>
Profit before tax		43,982	89,425
Tax on Profit	8	<u>(3,444)</u>	<u>(13,640)</u>
Profit for the financial year		<u><u>40,538</u></u>	<u><u>75,785</u></u>

All amounts relate to continuing operations.

There is no difference between profit for the financial year and total comprehensive income for the year, and accordingly no separate statement of comprehensive income has been presented.

*See Note 21 for details of prior year restatement.

The notes on pages 20 to 47 form an integral part of these financial statements.

Turner Broadcasting System Europe Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital € 000	Profit and loss account € 000	Total shareholders' funds € 000
At 1 January 2021	151,038	107,522	258,560
Profit for the year	-	75,785	75,785
At 31 December 2021	<u>151,038</u>	<u>183,307</u>	<u>334,345</u>

	Share capital €'000	Profit and loss account €'000	Total shareholders' funds €'000
At 1 January 2022	151,038	183,307	334,345
Profit for the year	-	40,538	40,538
Increase in equity related to equity settled share based payment transaction	-	1,191	1,191
At 31 December 2022	<u>151,038</u>	<u>225,036</u>	<u>376,074</u>

The notes on pages 20 to 47 form an integral part of these financial statements.

Turner Broadcasting System Europe Limited


Statement of Financial Position as at 31 December 2022

	Note	31 December 2022 € 000	Restated* 31 December 2021 € 000
Fixed assets			
Intangible assets	9	152,554	180,564
Tangible assets	10	14,749	17,171
Investments	11	10,650	10,648
		<u>177,953</u>	<u>208,383</u>
Current assets			
Debtors: amounts falling due within one year	12	331,922	288,684
Debtors: amounts falling due after more than one year	12	-	770
Cash at bank and in hand		58,680	42,268
		<u>390,602</u>	<u>331,722</u>
Creditors: Amounts falling due within one year	13	<u>(191,188)</u>	<u>(204,584)</u>
Net current assets		<u>199,414</u>	<u>127,138</u>
Total assets less current liabilities		<u>377,367</u>	<u>335,521</u>
Creditors: Amounts falling due after more than one year	13	-	(42)
Provisions for liabilities	15	<u>(1,293)</u>	<u>(1,134)</u>
Net assets		<u><u>376,074</u></u>	<u><u>334,345</u></u>
Capital and reserves			
Called up share capital	16	151,038	151,038
Profit and loss account		<u>225,036</u>	<u>183,307</u>
Total shareholders' funds		<u><u>376,074</u></u>	<u><u>334,345</u></u>

*See Note 21 for details of prior year restatement.

Company registration number: 01927955

The financial statements on pages 17 to 47 were approved by the Board of directors on the date noted below and signed on its behalf by:


Jamie Friend (Feb 28, 2024 16:53 GMT)

R J Friend
Director

Date: 28 February 2024

The notes on pages 20 to 47 form an integral part of these financial statements.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 Accounting policies

a) Statement of compliance

Turner Broadcasting System Europe Limited is a private limited liability company incorporated in England & Wales. The Registered Office is 160 Old Street, London EC1V 9BW.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2022.

b) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and with applicable United Kingdom accounting standards.

The financial statements are prepared in Euro which is the functional currency of the company and rounded to the nearest €'000.

The company has taken advantage of the exemption from the requirement to prepare consolidated financial statements available under s401 of the Companies Act 2006, as it was at the year end a wholly-owned subsidiary undertaking of Warner Bros. Discovery Inc., a company incorporated in the United States of America, which prepares publicly available consolidated financial statements (see note 20).

Going concern

The directors have reviewed the current financial performance and position of the company and are confident that it will not lead to the company no longer being a going concern. In the unlikely event that it is not possible for the company to meet its liabilities as they fall due and also due to the centralised cash pooling arrangements, the ultimate parent company, Warner Bros. Discovery, Inc. has agreed to provide continued financial support to the company for the foreseeable future, for 12 months from the date of approval of the financial statements, to meet its obligations as and when they fall due.

Taking into account the position of the ultimate parent company, the directors are of the view that there are no events expected to have a material adverse impact on the company's ability to continue as a going concern, for a period of 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

b) Basis of preparation (continued)

Statement of cash flows

The company has taken advantage of the exemption in FRS 102.1.12(b) Reduced disclosures for subsidiaries. A statement of cashflows has not been prepared as the company was a member of a group where the parent, Warner Bros. Discovery Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 20).

Related parties

The company has taken advantage of the exemption in FRS 102.1.12(e) Reduced disclosures for subsidiaries. Key management remuneration has not been disclosed as the company is a member of a group where the parent, Warner Bros. Discovery, Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 20).

The company has taken advantage of the exemption in FRS 102.33.1A not to disclose related party transactions with fellow wholly-owned subsidiary undertakings of Warner Bros. Discovery, Inc., which prepares publicly available consolidated financial statements (see note 20).

Share based payments

The company has taken advantage of the exemption in FRS 102.1.12(d) Reduced disclosures for subsidiaries. Certain share based payment transaction disclosures have not been presented as the company is a member of a group where the parent, Warner Bros. Discovery, Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 20).

c) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Operating lease commitments

The company has entered into leases as a lessee. The classification of such leases as operating or finance lease requires the company to determine, based on evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

c) Judgements and key sources of estimation uncertainty (continued)

Taxation

The company recognises liabilities for anticipated uncertain corporation tax positions based on reasonable estimates of whether additional taxes will be due and the timing of those additional taxes. Further details are contained in note 8.

Management estimation is required to determine the amount of deferred tax asset that can be recognised, based upon likely timing and level of future taxable profits.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 10 for the carrying amount of the property, plant and equipment, and below for the useful economic lives for each class of assets.

Impairment

In preparing these financial statements, the directors have made the following judgements:

Determine whether there are indicators of impairment of the company's tangible and intangible fixed assets and investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

The company recognises liabilities for anticipated uncertain corporation tax positions based on reasonable estimates of whether additional taxes will be due and the timing of those additional taxes. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

The company's directors are of the opinion that there are no other estimates and assumptions that have a significant risk of casting material adjustment to the carrying value of assets and liabilities for the company within the next financial year.

d) Significant accounting policies

Turnover

Turnover represents the fees and royalties earned for the operation of entertainment television networks throughout the United Kingdom, Europe, Africa and the Middle East; subscriptions to those channels; licencing of programmes on behalf of fellow group undertakings; the provision of advertising sales to external parties and fellow group undertakings and the provision of management services to fellow group undertakings.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

d) Significant accounting policies (continued)

Subscription Revenue

Subscription revenue is recognised on an accruals basis from the date the subscription starts. The unearned portion is recorded as deferred income. The un-invoiced portion is recorded as accrued income.

Licencing Revenue

Income in relation to licencing of programming is recognised from the date the programme becomes available for its first showing. The unearned portion is recorded as deferred income. The un-invoiced portion is recorded as accrued income.

Advertising Revenue

Advertising revenue is recognised on an accruals basis from the date the advertising is first shown. The unearned portion is recorded as deferred income. The un-invoiced portion is recorded as accrued income.

Service Fee Revenue

Service fee revenue generated from the provision of management services to other group companies are recognised on an accruals basis from the date the services are performed.

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes.

Pensions

The company participates in the Warner Media Pension Plan, a defined contribution scheme. The pension cost charged to profit or loss represents contributions payable by the company to the relevant funds as they become payable in accordance with the rules of the scheme.

Interest receivable and payable

Interest income and expenses are recognised on an accruals basis.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Deferred taxation

Deferred tax is recognised without discounting in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entities functional currency by applying the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the income statement.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

d) Significant accounting policies (continued)

Share based payments

Certain employees of the company received nonvested stock and stock units under historic AT&T Inc. plans. Following the combination of the Warner Media content units with Discovery, Inc. restricted stock units issued under AT&T Inc. plans were converted to Warner Bros. Discovery, Inc. stock units that will be distributed in the form of Warner Bros. Discovery, Inc. common stock. The stock will vest over a period of one to four years in accordance with the terms of those plans. Outstanding AT&T, Inc. stock options were unchanged, with holders retaining AT&T Inc. stock and receiving additional Warner Bros. Discovery, Inc. stock. Future grants to eligible employees will be issued under Warner Bros. Discovery, Inc. plans.

Investments

Investments are stated at cost less provision for impairments.

Tangible fixed assets

Tangible assets are recognised at cost and subsequently measured at cost less accumulated depreciation and provision for impairment. All tangible assets are depreciated over their estimated useful economic life on a straight line basis.

The annual rates of depreciation are as follows:

Leasehold Improvements

- the shorter of 15 years or the remaining term of the lease

Fixtures and fittings

- 5 years

Computer equipment

- 3 years

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

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

d) Significant accounting policies (continued)

Intangible fixed assets

Film rights and other costs are stated at cost less accumulated amortisation and impairment, and consist of licensed programme rights.

Licensed programme rights represent amounts paid or payable to programme licensors for the limited right to broadcast the licensors' programming. Exhibition rights under the licenses are generally limited to a contract period or a specific number of showings. Accordingly, licensed programme rights are amortised to the income statement as cost of sales at the greater of the straight-line rate or a rate based on actual usage and over 5 years using the sum of digits amortisation method for Cartoon Network Original Programmes and Co-productions. Original General Entertainment programming held primarily for purposes of syndication as well as airing on other network channels is amortised ninety per cent in first month of airing and remaining 10 per cent over the next 23 months.

Development expenditure is written off as incurred, except in cases where there is reasonable certainty that the project is technically feasible, commercially viable and adequate resources exist, or are reasonably expected to be available, to enable the project to be completed.

In these circumstances the related costs are capitalised as assets under construction.

Upon delivery of the project to the broadcaster the asset is reclassified from assets under construction to completed assets.

Computer software is recognised at cost and subsequently measured at cost less accumulated amortisation and provision for impairment. Amortisation is charged on a straight line basis over 3 years.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

d) Significant accounting policies (continued)

Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material the provisions are discounted to their present value at the statement of financial position date.

Operational restructuring costs

Operational restructuring costs are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Leasing commitments

Rentals payable under operating leases are charged in the income statement on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments. The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Basic financial liabilities including trade and other payables and interest bearing loans and borrowing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at present value of the future payments discounted at a market rate of interest. Basic financial liabilities, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the income statement. Short term trade and other payables with no stated interest rate which are payable within one year are recorded at transaction price.

Basic financial assets including trade and other receivables and investments in loan notes are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. These basic financial assets, other than short term receivables, are subsequently carried at amortised cost using the effective interest method. Short term trade and other receivables with no stated interest rate which are receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in cost of sales.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Turnover

An analysis of turnover by geographical market is given below:

	Year ended 31 December 2022 £'000	Year ended 31 December 2022 %	Year ended 31 December 2021 £'000	Year ended 31 December 2021 %
United Kingdom and Ireland	53,179	25%	58,081	15%
Europe	278,791	74%	305,725	79%
Rest of the World	20,297	1%	25,371	6%
	<u>352,267</u>	<u>100%</u>	<u>389,177</u>	<u>100%</u>

3 Operating profit

This is stated after charging/(crediting):

	Year ended 31 December 2022 € 000	Year ended 31 December 2021 € 000
Loss on disposal of tangible fixed assets	41	212
Depreciation of tangible fixed assets	3,400	4,336
Operating leases	5,896	5,419
Amortisation of intangible fixed assets	101,515	110,896
Impairment of intangible fixed assets	38,958	3,355
Foreign exchange (gain)/loss	(11,343)	4,605
Auditors remuneration - audit of the financial statements	286	377
Defined contribution pension cost	3,236	2,890
Operational restructuring costs	<u>3,355</u>	<u>7,247</u>

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

4 Directors' remuneration

	Year ended 31 December 2022 € 000	Year ended 31 December 2021 € 000
Aggregate remuneration in respect of qualifying services	4,078	4,142
Aggregate company contributions paid to defined contribution pension scheme	44	38
	<u>4,122</u>	<u>4,180</u>
	No.	No.
Members in defined contribution scheme	<u>3</u>	<u>3</u>

The amounts paid in respect of the highest paid director are as follows:

	Year ended 31 December 2022 € 000	Year ended 31 December 2021 € 000
Remuneration in respect of qualifying services	2,686	2,658
Company contributions to money purchase pension schemes	2	6
	<u>2,688</u>	<u>2,664</u>

No director exercised share options during the year (2021 - nil).

3 directors exercised RSU's during the year (2021 - 3).

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 31 December 2022 € 000	Year ended 31 December 2021 € 000
Wages and salaries	49,302	46,356
Social security costs	4,887	6,920
Equity-settled share based payments	1,191	-
Other pension costs	3,236	2,890
Operational restructuring costs	3,355	7,247
	<u>61,971</u>	<u>63,413</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Sales, marketing and distribution	91	92
Administration and support	60	47
Production	246	309
Other departments	56	32
	<u>453</u>	<u>480</u>

6 Interest receivable and similar income

	Year ended 31 December 2022 € 000	Year ended 31 December 2021 € 000
Interest receivable from group undertakings	<u>408</u>	<u>665</u>

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

7 Interest payable and similar expenses

	Year ended 31 December 2022 € 000	Year ended 31 December 2021 € 000
Interest on bank overdrafts and borrowings	-	55
Other interest payable	-	50
Interest expense on other finance liabilities	38	26
Unwinding of the discount of the dilapidation provision	58	-
	<u>96</u>	<u>131</u>

8 Taxation on profit on ordinary activities

a) The charge is made up as follows:

	Year ended 31 December 2022 € 000	Year ended 31 December 2021 € 000
Current tax:		
Current tax on profits for the year	4,535	14,630
Tax over provided in previous years	(922)	(93)
Double taxation relief	(2,919)	(2,520)
Overseas tax suffered	2,920	2,520
Total current tax charge	<u>3,614</u>	<u>14,537</u>
Deferred tax:		
Origination and reversal of timing differences	(165)	297
Credit due to change in tax rate	(52)	(1,211)
Under / (over) provision for prior years	47	17
Total deferred tax	<u>(170)</u>	<u>(897)</u>
Total tax on profit / (loss) (note b below)	<u>3,444</u>	<u>13,640</u>

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Taxation on profit on ordinary activities (continued)

b) Circumstances affecting the total tax charge:

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19% (2021 - 19%).

The tax charge for the year differs from the standard rate for the reasons in the reconciliation below:

	Year ended 31 December 2022 € 000	Year ended 31 December 2021 € 000
Profit before tax	<u>43,982</u>	<u>89,425</u>
Corporation tax at standard rate	8,357	16,991
Factors affecting the tax charge:		
Share-based payments	87	(295)
Non-taxable distribution	-	(1,959)
Disallowable expenses	473	51
Non qualifying depreciation	-	139
Tax (over)/ under provided in previous years	(875)	(76)
Group relief received for nil consideration	(4,536)	-
Impact of change of rate of tax	(52)	(1,211)
Income not taxable	(24)	-
Transfer pricing adjustments	12	-
Effects from overseas tax rates	<u>2</u>	<u>-</u>
Total tax charge (see note 8(a) above)	<u><u>3,444</u></u>	<u><u>13,640</u></u>

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Taxation on profit on ordinary activities (continued)

c) Deferred tax

Deferred tax is provided at 25% (2021 - 25%) in the statement of financial position as follows:

	31 December 2022 € 000	31 December 2021. € 000
Included in debtors	<u>5,217</u>	<u>5,046</u>
Analysed as:		
Accelerated capital allowances	4,048	4,503
Short term timing differences	<u>1,169</u>	<u>543</u>
	<u>5,217</u>	<u>5,046</u>

Analysis of movement in deferred tax:

	€ 000
At start of year	5,046
Credited to income statement	<u>171</u>
At end of year	<u>5,217</u>

d) Factors affecting future tax charges:

The Finance Act 2021, enacted on 10 June 2021, included legislation to increase the rate of Corporation tax to 25% as of 1 April 2023. The proposed rate rise, which is included in the numbers in these financial statements, has increased the deferred tax asset by €7,816,467.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9 Intangible assets

	Restated* Programme rights € 000	Computer Software € 000	Restated* Total € 000
Cost or valuation			
At 1 January 2022	480,038	15,622	495,660
Additions	113,067	122	113,189
Disposals	(83,662)	(2,583)	(86,245)
Impairment	(44,323)	-	(44,323)
At 31 December 2022	<u>465,120</u>	<u>13,161</u>	<u>478,281</u>
Amortisation			
At 1 January 2022	302,527	12,569	315,096
Amortisation charge for the year	100,597	918	101,515
Amortisation on disposals	(82,934)	(2,585)	(85,519)
Impairment	(5,365)	-	(5,365)
At 31 December 2022	<u>314,825</u>	<u>10,902</u>	<u>325,727</u>
Net book value			
At 31 December 2022	<u>150,295</u>	<u>2,259</u>	<u>152,554</u>
At 31 December 2021	<u>177,511</u>	<u>3,053</u>	<u>180,564</u>

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9 Intangible assets (continued)

The amortisation charge of intangible fixed assets is included within the cost of sales in the Income Statement.

An impairment analysis of intangible fixed assets resulted in an impairment of €38,958,444 relating to owned productions that were under-performing compared to future cash flow expectations. This was recorded as an operating loss in the Income Statement.

The company has contractual commitments to acquire €52,946,227 of content assets in the 2023 financial year.

Additions of programme rights include €7,418,661 (2021: €nil) developed internally and €105,648,837 (2021: €138,897,000) through external acquisition.

Within programming rights cost figure above, €24,963,732 (2021: €24,069,050) relates to assets under construction.

*See Note 21 for details of prior year restatement.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

10 Tangible fixed assets

	Leasehold improvement € 000	Fixtures and fittings € 000	Computer equipment €000	Total € 000
Cost				
At 1 January 2022	10,999	9,554	8,809	29,362
Additions	1,174	90	43	1,307
Disposals	-	(322)	(1,767)	(2,089)
Transfer of Assets	<u>5,642</u>	<u>(2,431)</u>	<u>(527)</u>	<u>2,684</u>
At 31 December 2022	<u>17,815</u>	<u>6,891</u>	<u>6,558</u>	<u>31,264</u>
Depreciation				
At 1 January 2022	3,371	2,549	6,269	12,189
Charge for the year	1,569	1,158	673	3,400
Disposals	-	(285)	(1,764)	(2,049)
Transfer of assets	<u>1,375</u>	<u>1,060</u>	<u>540</u>	<u>2,975</u>
At 31 December 2022	<u>6,315</u>	<u>4,482</u>	<u>5,718</u>	<u>16,515</u>
Net book value				
At 31 December 2022	<u>11,501</u>	<u>2,409</u>	<u>839</u>	<u>14,749</u>
At 31 December 2021	<u>7,628</u>	<u>7,004</u>	<u>2,539</u>	<u>17,171</u>

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Investments

	Investments in subsidiary undertakings €	Investments in associated undertakings €	Other investments €	Total €
At 1 January 2022	9,777	687	184	10,648
Disposals	(291)	-	-	(291)
Additions	808	-	-	808
Impairment	(515)	-	-	(515)
At 31 December 2022	<u>9,779</u>	<u>687</u>	<u>184</u>	<u>10,650</u>

Details of investments

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office address	Country of registration	Proportion of voting rights and shares held 2022 2021	
Turner Broadcasting System Italia S.r.l	Via dei Magazzini Gernerale, 18/20, 00154 Rome	Italy	100%	100%
Turner Broadcasting System Deutschland GmbH	Leopoldstrasse 57, Munich 80802	Germany	100%	100%
Turner Broadcasting System France SAS	115-123 Avenue Charles de Gaulle 92200, Neuilly-sur-Seine	France	100%	100%
Turner Broadcasting System Espana SL	Calle Serrano 38, 3a planta, Madrid	Spain	100%	100%
Turner Broadcasting System Denmark ApS	Jens Kofods gade 1, 2 sal, 1268	Denmark	100%	100%
Turner Broadcasting System Arabia FZ-LLC	Office No. 320, Building No. 2, Thrid Floor, Dubai Media City	United Arab Emirates	100%	100%

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Investments (continued)

Turner Broadcasting System Limited Liability Company	Office 757, Business Centre 'Regus', Smolensky Passage, 3 Smolenskaya Square, Moscow 121099	Russia ^	99%	99%
TNT Televizyon Produksiyon Limited Sirketi	Turkali Mah, Odalar Sokak, No. 9, Kat 3 Besiktas, Istanbul	Turkey ~	25.4%	25.4%
Eda Televizyon Yayincilik ve Produksiyon Anonim Sirketi	Turkali Mah, Odalar Sokak, No. 9, Kat 3 Besiktas, Istanbul	Turkey ***	0.02%	0.02%
Turner Broadcasting System Romania S.r.l	6 Maria Rosetti Street, Ground Floor, Sector 2, Bucharest	Romania +	95%	95%
Turner Broadcasting System Poland SP Z.O.O.	Warsaw Financial Centre, 53, Emilii Plater Street, 00-113, Warsaw	Poland ^	99%	99%
Hanna-Barbera Studios Europe Limited	160 Old Street, London Ec1V 9BW	United Kingdom	100%	100%
Turner Nordic Holding AB	Kundstradgardsgatan 20 1114, 7 Stockholm	Sweden	100%	100%
Turner Nordic and Baltic AB	Kundstradgardsgatan 20 1114, 7 Stockholm	Sweden *	100%	100%
NonStop Sales AB	Kundstradgardsgatan 20 1114, 7 Stockholm	Sweden *	100%	100%
Boing S.p.A	Via Paleocapa, No. 3, 20121 Milan	Italy*	49%	49%
Ninth Floor UK Productions Limited	160 Old Street, London EC1V 9BW	United Kingdom	100%	100%
TBS Istanbul Yayincilik Ve Produksiyon Anonim Sirketi	Turkali MAH, Sehit Ali Kerem Mergen SK NO: No. 9/Kat: 3, Besiktas, Istanbul	Turkey *	100%	100%

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Investments (continued)

Turner South Africa (Pty) Ltd	7 Cherry Street, Newlands, Cape Town 7700	South Africa *	100%	100%
Turner OTT Limited	160 Old Street, London EC1V 9BW	United Kingdom **	50%	50%
Warner Media Amsterdam B.V.	Helicopterstraat 25F, 1059CE, Amsterdam	The Netherlands*	100%	100%
Cheeky Pint Productions Limited	160 Old Street, London EC1V 9BW	United Kingdom*	100%	100%
Magical Beginnings Productions Limited	160 Old Street, London EC1V 9BW	United Kingdom*	100%	100%
Warner Media Direct Televizyon Yayıncılık Anonim Şirketi	Türkali Mahallesi, Şehit Ali Kerem Mengen Sokak, A Blok No. 9/3, Istanbul	Turkey+	25.56%	25.56%
TWC R&D-Hungary Kft	1054 Budapest, Szabadság tér 7. Platina Torony ép. 5-6	Hungary*	100%	100%
Bright Little Labs Limited	Harrison House SheepWalk, Langford Road, Biggleswade, Bedfordshire, SG18 9RB	United Kingdom	33.33%	33.33%

All share capital held is ordinary share capital, unless otherwise stated.

^ The additional 1% owned by another group undertaking.

* Indirectly owned by TBSEL.

+ The additional 5% is owned by the company's immediate parent company.

~ **0.08% owned by the company's immediate parent company. the remaining 67.88% is owned by Turner Broadcasting System Inc.**

*** 99.9% owned by TNT Televizyon Produksiyon Limited Sirketi and 0.08% owned by parent companies.

** 50% owned by another group undertaking

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Investments (continued)

All above listed companies carry out marketing services and consultancy in relation to distribution licensing with the exception of Turner Nordic Holding AB (formally known as, Millennium Media Group AB). Millennium Media Group AB changed its name on 12 December 2020. Turner Nordic Holding AB operates television channels primarily in Nordic countries, Baltic States, Benelux and Africa. An ad sales function is also performed by Turner Broadcasting System Italia S.r.l., Turner Broadcasting System Deutschland GmbH, Turner Broadcasting System France SAS, Turner Broadcasting System Denmark ApS and TBS Arabia FZ-LLC. TNT Televizyon Produksiyon Limited Sirketi ceased operations in June 2012. Eda Televizyon yayincilik ve Produksiyon Anonim Sirketi and Turner Broadcasting System Istanbul Yayincilik Ve Produksiyon Anonim Sirketi operate a cartoon television channel in Turkey; it started operations in April 2012.

All the above undertakings are wholly owned unless noted otherwise. The class of share capital is ordinary shares. The principal areas of operations are the UK, Europe, Middle East and Africa.

Ninth Floor UK Productions Limited has two wholly owned subsidiaries, Magical Beginnings Productions Limited and Cheeky Pint Productions Limited that were both incorporated on 10 June 2021.

TNT Televizyon Produksiyon Limited Sirketi wholly owns Warner Media Direct Televizyon Yayincilik Anonim Sirketi and was incorporated on 12 October 2021.

On 10 April 2020, the company purchased a 100% share of an entity called The Widget Company B.V., an entity registered in the Netherlands. The consideration for the acquisition was €4,300,000. The acquired specialises in the front end software development activities including solutions architecture, testing and deployment. In 2021 the acquired entity was renamed Warner Media Amsterdam B.V. to reflect its position in the Warner Media group of companies.

An advertising sales function is also performed by Turner Broadcasting Systems Italia S.r.l., Turner Broadcasting System Deutschland GmbH, Turner Broadcasting System France SAS, Turner Broadcasting System Denmark ApS, Turner Broadcasting System Arabia FZ-LLC and Turner South Africa (Pty) Ltd. TNT Televizyon Produksiyon Limited Sirketi ceased operations and is a holding company.

Turner OTT Limited was fully dissolved on 14 February 2023.

On 14 June 2023, Discovery Romania S.R.L., a related undertaking, acquired the company's shareholding, together with the shareholding held by the company's parent, Turner Broadcasting System Holdings (Europe) Limited, in Turner Broadcasting System Romania S.r.l.

In response to the sanctions against the Russian government we have impaired the value of the investment in Turner Broadcasting System Limited Liability Company accordingly.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

12 Debtors

	Note	31 December 2022 € 000	31 December 2021 € 000
Due after more than one year			
Other debtors		<u>-</u>	<u>770</u>
Due within one year			
Trade debtors		33,725	34,539
Amounts owed by group undertakings		261,729	212,380
Other debtors			73
Prepayments and accrued income		31,251	37,385
Deferred tax assets	8	<u>5,217</u>	<u>4,307</u>
		<u>331,922</u>	<u>288,684</u>

Trade debtors are stated after provisions for impairment of €1,046,786 (2021: €1,403,142).

Included within amounts owed by group undertakings is an amount of €127,500,000 (€117,973,940) in respect of an intercompany deposit with Time Warner London Limited ("TWL Ltd"). The deposit was interest bearing at a market rate, being either three month LIBOR minus 0.10% or the actual rates achieved for deposits by TWL Ltd, minus 0.02%. The deposit was unsecured and repayable on demand.

All other amounts owed by fellow group undertakings are unsecured, interest free and repayable on demand.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Creditors

	Note	31 December 2022 € 000	Restated* 31 December 2021 € 000
Due within one year			
Trade creditors		24,000	20,841
Amounts owed to group undertakings		98,092	81,330
Corporation tax payable	8	19,521	18,233
Other taxation and social security		8,006	9,942
Accruals and deferred income		41,569	74,238
		<u>191,188</u>	<u>204,584</u>
Due after one year			
Deferred rent liability		<u>-</u>	<u>42</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Included within accruals and deferred income are amounts totalling €10,451,993 (2021: €27,722,537) relating to intercompany transactions.

*See Note 21 for details of prior year restatement.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Obligations under leases and hire purchase contracts

Future minimum rentals payments under non-cancellable operating leases are as follows:

	31 December 2022 € 000	31 December 2021 € 000
Not later than one year	6,242	5,950
Later than one year and not later than five years	22,782	17,601
Later than five years	<u>21,586</u>	<u>27,709</u>
	<u>50,610</u>	<u>51,260</u>

15 Provisions for liabilities

	Dilapidation provision € 000
At 1 January 2022	1,134
Unwinding of discount	58
Other	<u>101</u>
At 31 December 2022	<u>1,293</u>

Provision has been made for dilapidation which relates to costs associated with the company's obligation to reinstate leased buildings to their original state. The provision has been discounted to its present value at the statement of financial position date, and the movement in the year is the unwinding of the discount.

16 Called up share capital

Issued, allotted, called up and fully paid

	31 December 2022		31 December 2021	
	No.	€	No.	€
Ordinary shares of £1 each	100	126.00	100	126.00
Ordinary shares of €1.00 each	<u>151,038,106</u>	<u>151,038,106</u>	<u>151,038,106</u>	<u>151,038,106</u>
	<u>151,038,206</u>	<u>151,038,232</u>	<u>151,038,206</u>	<u>151,038,232</u>

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

17 Pension

The Time Warner Money Purchase Pension Plan ("TWMP PP") was closed from 31 March 2021 from which time membership of the WarnerMedia Pension Plan ("WMPP"), a new defined contribution scheme, is available. With effect from 1 April 2021, pension contributions are paid into the WMPP. With effect from 12 May 2022, the TWMP PP was wound up and terminated.

Further information concerning the schemes (i.e. TWMP PP and WMPP) can be found in the report and financial statements of Time Warner London Limited, the sponsoring employer, which are available from the Company secretary, 160 Old Street, London, EC1V 9BW.

The total pension cost to the company in relation to both schemes for the year ended 31 December 2022 amounted to €3,235,531 (2021: €2,889,740).

18 Contingent liabilities

The company has entered into a group composite accounting agreement with its bankers. The terms of the agreement permit the bankers, without notice, to draw down funds deposited into the system, and to offset borrowings drawn down from the system by other group members who are also parties to these arrangements. At the statement of financial position date, funds deposited by the company into the system, and potentially at risk to cover liabilities elsewhere in the group, amounted to €59,245,607 (2021 - €42,267,562).

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Related parties

Boing S.p.A. is a related party by the virtue of the company holding 49% of its ordinary share capital.

	Sales to related party € 000	Purchases from related party € 000	Amounts owed by related party € 000
Boing S.p.A			
At 31 December 2021	12,318	4	3,659
At 31 December 2022	<u>11,479</u>	<u>-</u>	<u>2,820</u>

All transactions with related parties are unsecured. Sales and purchases are subject to standard terms of trade.

20 Ultimate parent undertaking

The company's immediate parent undertaking is Turner Broadcasting System Holdings (Europe) Limited.

Up until 8 April 2022, the smallest and largest group the company was part of was the AT&T group. The ultimate parent company of this group is AT&T Inc., a company incorporated in the United States of America. Copies of AT&T Inc.'s financial statements can be obtained from 208 S. Akard St, Dallas, TX 75202, USA.

From 8 April 2022, the smallest and largest group the company was part of was the Warner Bros. Discovery group. The ultimate parent company of this group is Warner Bros. Discovery, Inc.. Copies of Warner Bros. Discovery, Inc.'s financial statements can be obtained from 230 Park Avenue South, New York City, New York, USA.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

21 Restatement of prior year amounts

Four restatements of the prior year comparatives have been made. These comprise the:

- reclassification of Administrative Expenses as Cost of Sales
- correction of 2020 and 2021 intangible assets recorded twice on the Balance Sheet.
- correction of intangible assets incorrectly recognised prior to their capitalisation date on the Balance Sheet.
- correction of an incorrect gross up of intangible assets between cost and amortisation on the Balance Sheet prior to 2020.

The first restatement was in respect of costs which were incorrectly classified as administrative expenses but following review by the Director were determined as being directly related to the generation of revenue and as such should be classified as cost of sales. There is no change in the prior period operating profit or profit before tax.

None of the restatements has an effect on the prior period operating profit.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

21 Restatement of prior year amounts (continued)

The following table discloses the restatement of specific lines in the Income Statement for the year ended 31 December 2021:

	(As stated)	(Increase)/decrease	(As restated)
	Year ended 31 December 2021		Year ended 31 December 2021
	€ 000	€ 000	€ 000
Turnover	389,177	-	389,177
Cost of sales	(296,930)	63,962	(232,968)
Administrative expenses	-	(63,962)	(63,962)
Operating profit	88,891	-	88,891

The second restatement is in respect of a double counting of completed programme rights in the 2021 and 2020 financial statements. Amounts were found to be recorded as Assets under Construction as well as being recorded as completed assets available for distribution.

The third restatement is in respect of programme rights incorrectly recognised as completed assets prior to their capitalisation date.

The fourth restatement is in respect of an incorrect gross up of programme rights between cost and amortisation on the Balance Sheet prior to 2020.

For the three restatements relating to intangible assets above, the programming assets have been amortised correctly and therefore no adjustment is required to amortisation.

Turner Broadcasting System Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

21 Restatement of prior year amounts (continued)

The following table discloses the restatement of specific lines in the Balance Sheet for the year ended 31 December 2021:

	(As stated)		(As restated)
	Year ended 31 December 2021	Correction of misstated programming assets	Year ended 31 December 2021
	€ 000	€ 000	€ 000
Note 9: Intangible assets			
Cost or valuation - Programme rights			
At 1 January 2021	460,184	(8,027)	452,157
Additions	138,897	(15,733)	123,164
Disposals	(95,282)	-	(95,282)
Movement during the year	-	-	-
At 31 December 2021	503,799	(23,760)	480,039
Amortisation - Programme rights			
At 1 January 2021	290,871	(18,448)	272,423
Amortisation charge for the year	109,653	-	109,653
Amortisation on disposals	(82,903)	-	(82,903)
Impairment charge	3,355	-	3,355
At 31 December 2021	320,976	(18,448)	302,528
Net book value - Programme rights			
At 31 December 2021	182,823	(5,312)	177,511
At 31 December 2020	169,314	10,420	179,734
Note 13: Creditors			
Due within one year			
Trade creditors	20,841	-	20,841
Due to group undertakings	81,330	-	81,330
Corporation tax payable	18,233	-	18,233
Other taxes and social security costs	9,942	-	9,942
Accruals and deferred income	79,550	(5,312)	74,238
	209,896	(5,312)	204,584