

TVB (UK) Limited
(Registered Number: 02528136)

Directors' Report and Financial Statements
For the year ended 31 December 2011

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TVB (UK) Limited

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TVB (UK) Limited

Directors' report for the year ended 31 December 2011

The directors present their report and the audited financial statements of TVB (UK) Limited (the "Company") for the year ended 31 December 2011

Principal activity

The principal activity of the Company is as the holding company of The Chinese Channel Limited and The Chinese Channel (France) SAS

Going concern

These financial statements are prepared on the going concern basis as the Company has received confirmation from TVBI Company Limited, the Company's group undertaking, of its intention to continue to provide such financial support as may be necessary to ensure the Company is able to meet its liabilities as they fall due and to carry on its business without significant curtailment for a period not less than twelve months from the date of approval of these financial statements

Having regard to this intention, the directors believe it is appropriate to prepare these financial statements on the going concern basis, notwithstanding the net current liabilities, net liabilities and total equity shareholder's deficit at 31 December 2011

Review of business and future development

The results of the Company are in line with the directors' expectations. The directors do not anticipate any significant changes in the operations of the Company in the foreseeable future.

Results and dividends

The loss for the year ended 31 December 2011 was £251 (2010 loss of £245)

The directors do not recommend payment of a dividend for the current year (2010 £nil)

Directors

The directors of the Company during the year and up to the date of this report were

Leung Nai Pang

Lee Po On

Cheong Shin Keong (appointed on 17 May 2012)

Au Peter Wai Lam (appointed on 17 May 2012)

Lee Mong Lan (alias Mona Fong) (resigned on 17 May 2012)

Chan Chi Wan Stephen (resigned on 17 May 2012)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

TVB (UK) Limited

Directors' report for the year ended 31 December 2011 (Continued)

Directors' responsibilities statement (Continued)

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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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.

Disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, each director confirms that

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

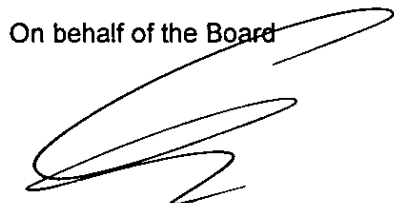
Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Statement on special provisions for small companies

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

On behalf of the Board



Lee Po On
Director
3 September 2012

Independent auditors' report to the members of TVB (UK) Limited

We have audited the financial statements of TVB (UK) Limited (the "Company") for the year ended 31 December 2011, which comprise the Profit and loss account, the Balance sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on pages 1 and 2, 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.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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 on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' report for the financial year of which the financial statements are prepared is consistent with the financial statements.

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

Jonathan Ford (Senior Statutory Auditor)

For and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

3 September 2012

TVB (UK) Limited

Profit and loss account For the year ended 31 December 2011

	Note	2011 £	2010 £
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(37)	(66)
Other operating expenses		(214)	(179)
Operating loss		(251)	(245)
Loss on ordinary activities before taxation		(251)	(245)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year		(251)	(245)

All amounts relate to continuing activities

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

There are no material differences between the profit or loss on ordinary activities before taxation and the profit or loss for the year stated above and their historical cost equivalents

TVB (UK) Limited

Balance sheet As at 31 December 2011

	Note	2011 £	2010 £
Investments	5	468,506	468,506
Current assets			
Debtors	6	-	2
Cash at bank		5,528	5,779
		5,528	5,781
Creditors – amounts falling due within one year	7	(2,539,186)	(2,539,188)
Net current liabilities		(2,533,658)	(2,533,407)
Total assets less current liabilities		(2,065,152)	(2,064,901)
Net liabilities		(2,065,152)	(2,064,901)
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	(2,065,154)	(2,064,903)
Total equity shareholder's deficit	9	(2,065,152)	(2,064,901)

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of Companies Act 2006

The financial statements of TVB (UK) Limited (Registered Number 02528136) on pages 4 to 9 were approved by the board of directors on 3 September 2012 and were signed on its behalf by



Lee Po On
Director

TVB (UK) Limited

Notes to the financial statements For the year ended 31 December 2011

1 Accounting policies

The following accounting policies have been applied consistently with the prior year in dealing with items which are considered material in relation to the Company's financial statements

a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Going concern

The Company has received confirmation from TVBI Company Limited, the Company's group undertaking, of its intention to continue to provide such financial support as may be necessary to ensure the Company is able to meet its liabilities as they fall due and to carry on its business without significant curtailment for a period not less than twelve months from the date of approval of these financial statements

Having regard to this intention, the directors believe it is appropriate to prepare these financial statements on the going concern basis, notwithstanding the net current liabilities, net liabilities and total equity shareholder's deficit at 31 December 2011. The principal accounting policies, which have been consistently applied, are set out below

b) Consolidation

The Company has taken advantage of the exemption under Section 401 of the Companies Act 2006 not to prepare consolidated financial statements as it was a wholly owned subsidiary of Television Broadcasts Limited at 31 December 2011 and is included in the consolidated financial statements of Television Broadcasts Limited

c) Investments

Investments in subsidiary undertakings are recorded at cost less provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

2 Cash flow statement and related party disclosures

The Company is a wholly owned subsidiary of Television Broadcasts Limited and is included in the consolidated financial statements of that Company, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard ("FRS") 1 'Cash flow statements' and the exemption under the terms of FRS 8 'Related party disclosures' from disclosing transactions with entities that are part of the Television Broadcasts Limited group or investees of that group.

TVB (UK) Limited

Notes to the financial statements

For the year ended 31 December 2011 (Continued)

3 Auditors' remuneration, directors' emoluments and employee information

The auditors' remuneration for audit services amounting to £4,120 (2010 £4,100) was borne by a subsidiary undertaking, The Chinese Channel Limited

None of the directors received or will receive any fees or other emoluments in respect of their services rendered to the Company during the year (2010 £nil) The Company had no employees during the year (2010 nil)

4 Tax on loss on ordinary activities

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2011 (2010 £nil)

	2011 £	2010 £
Current tax		
UK corporation tax at 26.5% (2010 28%)	-	-

The tax assessed for the year is higher (2010 higher) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2011 of 26.5% (2010 28%) The differences are explained below

	2011 £	2010 £
Loss on ordinary activities before tax	(251)	(245)
Loss on ordinary activities multiplied by standard rate in the UK 26.5% (2010 28%)	(66)	(69)
Effects of Expenses not deductible for tax purposes	66	69
Current tax charge for the year	-	-

Factors affecting current and future tax charges

During the year, as a result of the change in the UK main corporation tax rate to 26% that was substantively enacted on 29 March 2011 and that was effective from 1 April 2011, and to 25% that was substantively enacted on 5 July 2011 and that was effective from 1 April 2012, the relevant deferred tax balances have been re-measured

A number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. A further reduction to the main rate is also proposed to reduce the rate to 22% from 1 April 2014. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

TVB (UK) Limited

Notes to the financial statements For the year ended 31 December 2011 (Continued)

5 Investments

Investments in subsidiary undertakings

	2011 £	2010 £
Cost		
At 1 January and 31 December	468,506	468,506
Provision for diminution in value		
At 1 January and 31 December	-	-
Net book amount at 31 December	468,506	468,506

The investments in subsidiary undertakings comprise the following

Name of company and country of operation	Country of incorporation	Proportion of nominal value and voting rights of issued ordinary shares held	Principal activity
The Chinese Channel Limited, United Kingdom	United Kingdom	100%	Provision of services for programme productions and channel operations
The Chinese Channel (France) SAS, France	France	100%	Provision of satellite and subscription television programmes

The directors believe that the carrying values of investments are supported by their underlying net assets

6 Debtors

	2011 £	2010 £
Amount owed by a group undertaking	-	2

7 Creditors - amounts falling due within one year

	2011 £	2010 £
Amounts owed to group undertakings	2,539,186	2,539,188

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

TVB (UK) Limited

Notes to the financial statements

For the year ended 31 December 2011 (Continued)

8 Called up share capital

	2011 £	2010 £
Authorised 1,000 (2010 1,000) ordinary shares of £1 each	1,000	1,000
Issued and fully paid 2 (2010 2) ordinary shares of £1 each	2	2

9 Statement of movements in reserves and equity shareholder's deficit

	Called up share capital £	Profit and Loss account £	Total £
Balance at 1 January 2011	2	(2,064,903)	(2,064,901)
Loss for the year	-	(251)	(251)
Balance at 31 December 2011	2	(2,065,154)	(2,065,152)

10 Ultimate parent undertaking and controlling party

The immediate parent undertaking is The Chinese Channel (Holdings) Limited

The ultimate parent undertaking and controlling party is Television Broadcasts Limited, a company incorporated and listed in Hong Kong

Television Broadcasts Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements at 31 December 2011. The consolidated financial statements of Television Broadcasts Limited are available from TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong