

# **TVB (UK) Limited**

**(Registered Number: 02528136)**

## **Revised Directors' Report and Financial Statements For the year ended 31 December 2013**

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# TVB (UK) Limited

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# **TVB (UK) Limited**

## **Directors' report for the year ended 31 December 2013**

The directors present their report and the audited financial statements of TVB (UK) Limited (the "Company") for the year ended 31 December 2013.

### **Revision of Directors' report and financial statements**

The revised Directors' report and financial statements replace the original Directors' report and the original financial statements for the year ended 31 December 2013 which were approved by the Board of Directors and authorised for issue on 19 September 2014. They are now the Directors' report and the statutory financial statements of the company for that financial year. In accordance with the Companies Act 2006 ('the Act'), the Directors' report and financial statements have been prepared as at the date of the original financial statements and not as at the date of this revision. Accordingly they do not deal with events between 19 September 2014 and 6 November 2014.

Due to an administrative error, the version of the Directors' report and financial statements that was submitted to Companies House which was dated and approved on 19 September 2014 did not reflect its final form. The audit report was dated 19 September 2014 and should have been dated 26 September 2014. This Directors' report and financial statements reflects the amendments to the auditor's report only. There is no change to reported operating loss or net liabilities. All line items in the primary statements and notes to the financial statements remain unchanged. The date of the audit report has been changed to reflect the date of the revision.

### **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 ultimate 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 shareholders' deficit at 31 December 2013.

### **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 financial year ended 31 December 2013 was £467,506 (2012: £170).

The directors do not recommend payment of a dividend for the current year (2012: £nil).

### **Directors**

The directors of the Company during the year were:

Leung Nai Pang  
Lee Po On  
Cheong Shin Keong  
Au Peter Wai Lam

# **TVB (UK) Limited**

## **Directors' report for the year ended 31 December 2013 (Continued)**

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 auditors are aware of that information.

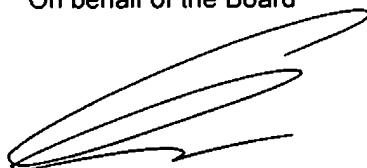
### **Independent auditors**

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

6 November 2014

# ***Independent auditors' report to the members of TVB (UK) Limited on the revised financial statements***

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## **Our opinion**

In our opinion the revised financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

This opinion is to be read in the context of what we say in the remainder of this report.

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## **Emphasis of matter – revision of auditors' report**

In forming our opinion on the revised financial statements, which is not modified, we have considered the adequacy of the disclosures made in the Directors' report on page 1 concerning the need to revise the auditors' report. The original financial statements were approved by the directors on 19 September 2014 and our previous report was dated 19 September 2014. As explained in the Directors' report, our audit report should have been dated 26 September 2014. We have not performed a subsequent events review for the period from that date to the date of this report.

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## **What we have audited**

The revised financial statements, which are prepared by TVB (UK) Limited, comprise:

- the Balance sheet as at 31 December 2013;
- the Profit and loss account for the period then ended; and
- the Notes to the revised financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

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## **What an audit of revised financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the revised financial statements sufficient to give reasonable assurance that the revised 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 revised financial statements.

In addition, we read all the financial and non-financial information in the Revised Directors' Report and Financial Statements to identify material inconsistencies with the audited revised financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

The audit of revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

# ***Independent auditors' report to the members of TVB (UK) Limited on the revised financial statements (continued)***

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

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

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- 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 revised financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## **Responsibilities for the revised financial statements and the audit**

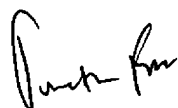
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### **Our responsibilities and those of the directors**

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the revised 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 revised financial statements in accordance with applicable law and ISAs (UK & 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 the Companies (Revision of Defective Accounts and Reports) Regulations 2008 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.



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

6 November 2014

## TVB (UK) Limited

### Profit and loss account

For the year ended 31 December 2013

	Note	2013 £	2012 £
Administrative expenses		(467,627)	(76)
Other operating revenue/(expenses)		121	(94)
<b>Operating loss</b>	<b>4</b>	<b>(467,506)</b>	<b>(170)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(467,506)</b>	<b>(170)</b>
Tax on loss on ordinary activities	5	-	-
<b>Loss for the financial year</b>	<b>10</b>	<b>(467,506)</b>	<b>(170)</b>

*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 loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

# TVB (UK) Limited

## Balance sheet As at 31 December 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Investments	6	1,111	468,506
<b>Current assets</b>			
Debtor	7	1,409,545	1,409,545
Cash at bank		5,515	5,460
		1,415,060	1,415,005
<b>Creditors – amounts falling due within one year</b>	8	(3,948,999)	(3,948,833)
<b>Net current liabilities</b>		(2,533,939)	(2,533,828)
<b>Total assets less current liabilities</b>		(2,532,828)	(2,065,322)
<b>Net liabilities</b>		(2,532,828)	(2,065,322)
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Profit and loss account	10	(2,532,830)	(2,065,324)
<b>Total shareholders' deficit</b>	10	(2,532,828)	(2,065,322)

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

The revised financial statements of TVB (UK) Limited (Registered Number: 02528136) on pages 5 to 10 were approved by the board of directors on 6 November 2014 and were signed on its behalf by:



Lee Po On  
Director



# **TVB (UK) Limited**

## **Notes to the revised financial statements For the year ended 31 December 2013**

### **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 ultimate 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 shareholders' deficit at 31 December 2013. 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 2013 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 revised financial statements For the year ended 31 December 2013 (Continued)

#### 3 Auditors' remuneration, directors' emoluments and employee information

The auditors' remuneration for audit services amounting to £4,740 (2012: £4,580) 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 (2012: £nil). The Company had no employees during the year (2012: nil).

#### 4 Operating loss

Operating loss is stated after charging:

	2013 £	2012 £
Provision for diminution in value (note 6)	467,395	-

#### 5 Tax on loss on ordinary activities

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2013 (2012: £nil).

	2013 £	2012 £
<b>Current tax</b>		
UK corporation tax at 23.25% (2012: 24.5%)	-	-

The tax assessed for the year is higher (2012: higher) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2013 of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £	2012 £
Loss on ordinary activities before tax	(467,506)	(170)
Loss on ordinary activities multiplied by standard rate in the UK 23.25% (2012: 24.5%)	(108,695)	(42)
Effects of:		
Expenses not deductible for tax purposes	108,695	42
Current tax charge for the year	-	-

#### Factors affecting current and future tax charges

During the year, as a result of the changes in the UK corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015, which were substantially enacted on 2 July 2013, the relevant deferred tax balances have been re-measured.

# TVB (UK) Limited

## Notes to the revised financial statements For the year ended 31 December 2013 (Continued)

### 6 Investments

Investments in subsidiary undertakings:

	2013 £	2012 £
<b>Cost</b>		
At 1 January and 31 December	468,506	468,506
<b>Provision for diminution in value</b>		
At 1 January	-	-
Provision during the year (Note)	467,395	-
At 31 December	467,395	-
Net book amount at 31 December	1,111	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.

Note: For the year ended 31 December 2013, the Company has recognised an impairment loss on its investment in The Chinese Channel (France) SAS as it has sustained significant operating losses which exceed the investment cost and are not considered recoverable.

### 7 Debtor

	2013 £	2012 £
Amount owed by group undertakings	1,409,545	1,409,545

Amount owed by group undertakings is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

# TVB (UK) Limited

## Notes to the revised financial statements For the year ended 31 December 2013 (Continued)

### 8 Creditors - amounts falling due within one year

	2013 £	2012 £
Amounts owed to group undertakings	3,948,999	3,948,830
Accruals	-	3
	<u>3,948,999</u>	<u>3,948,833</u>

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

### 9 Called up share capital

	2013 £	2012 £
Authorised 1,000 (2012: 1,000) ordinary shares of £1 each	1,000	1,000
Issued and fully paid 2 (2012: 2) ordinary shares of £1 each	2	2

### 10 Statement of movements in reserves and shareholders' deficit

	Called up share capital £	Profit and Loss account £	Total £
Balance at 1 January 2013	2	(2,065,324)	(2,065,322)
Loss for the financial year	-	(467,506)	(467,506)
Balance at 31 December 2013	2	(2,532,830)	(2,532,828)

### 11 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 2013. 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.