

Registered Number: 03177758

Sports News Television Management Limited

Annual report and financial statements

For the year ended 31 December 2020

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Sports News Television Management Limited

Annual report and financial statements for the year ended 31 December 2020

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Sports News Television Management Limited

Annual report and financial statements for the year ended 31 December 2020

Officers and professional advisers

Directors

K Dale
D Veerasingham
M Giarrusso
A MacIntyre
M Masquelier (resigned 2nd July 2020)
B Nicholas (resigned 2nd July 2020)
A Kelly (resigned 2nd July 2020)
N Hampel (appointed 2nd July 2020)
J Kilmartin (appointed 2nd July 2020)
R Wise (appointed 2nd July 2020)
D Fay (resigned 30th September 2020)
D Winkworth (appointed 30th September 2020)

Company Secretary

J Cooper

Registered Office

Building 6
566 Chiswick High Road
Chiswick
London W4 5HR
United Kingdom

Bankers

Skandinaviska Enskilda Banken
SEB London
One Carter Lane
London EC4V 5AN

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Sports News Television Management Limited

Directors' report For the year ended 31 December 2020

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under sections 414A and 415A of the Companies Act 2006.

Results

The total profit for the year after taxation amounted to £387,976 (2019: £428,889). Dividends totalling £420,000 were declared during the year (2019: £440,000).

Principal activities and review of the business

The company is principally engaged in the general management of Sports News Television (Limited Partnership) ('SNTV'), a partnership involved in the production and distribution of television sports news programmes.

Future developments

The directors do not anticipate any significant change in the activities and results of the company in the foreseeable future. Please refer to the Going Concern basis under note 1 for more information on COVID-19.

Principal risks and uncertainties

The company is exposed to the same principal risks and uncertainties as those described in the financial statements of Sports News Television (Limited Partnership), LP number: LP005161.

These principal risks and uncertainties facing the partnership are:

Loss of clients – The partnership may lose contracts/and or clients due to merger or acquisition, business failure, or contract expiration. Such a loss may have a material impact on the partnership's results. Relationships with clients are managed closely, particularly those with a significant contribution to revenue. As such, we are able to discuss any issues with clients at an early stage and work alongside them to resolve any issues.

Exchange rate fluctuations – The partnership currently operates globally and is, and will continue to be, exposed to foreign currency rate fluctuations. The company uses external advice on currency dealings with its bank. Where possible, natural hedges are used.

Events since the balance sheet date

No events have occurred after the balance sheet date, which would influence the evaluation of these financial statements. We do draw attention to the exceptional pandemic of COVID-19. So far the COVID-19 outbreak has not had a material effect on the Partnership's financial position but the Partnership is closely monitoring any potential impact from the COVID-19 on business on an ongoing basis.

We also draw attention to the UK government's budget announcement to raise corporation tax from its current level of 19%, to 25% from April 2023. This will have a direct impact on the company's profit after tax as a UK based business.

The directors believe that the Partnership is well placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the Partnership and, by extension, SNTV Management, will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements, including mitigating actions available in the case of unforeseen cash shortfalls.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements. The company had net current liabilities of £44,671 (2019: £52,140) and in determining if the business is going concern, the directors have

Sports News Television Management Limited

Directors' report (continued) For the year ended 31 December 2020

considered the company's financial forecasts, budgets and cash flows for the period of at least twelve months from the date of approval of these financial statements.

Directors

The directors who served the company during the year and subsequently, to the date of this report, were as follows:

K Dale
D Veerasingham
M Giarrusso
A MacIntyre
M Masquelier (resigned 2nd July 2020)
B Nicholas (resigned 2nd July 2020)
A Kelly (resigned 2nd July 2020)
N Hampel (appointed 2nd July 2020)
J Kilmartin (appointed 2nd July 2020)
R Wise (appointed 2nd July 2020)
D Fay (resigned 30th September 2020)
D Winkworth (appointed 30th September 2020)

Auditor

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

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

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

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

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



D Fay
Director

25th June 2021

Sports News Television Management Limited

Directors' responsibilities statement For the year ended 31 December 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

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

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Sports News Television Management Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of changes in equity;
- the balance sheet and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Independent auditor's report to the members of Sports News Television Management Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to material misstatement in the financial statements themselves. 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 in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

Independent auditor's report to the members of Sports News Television Management Limited (continued)

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, UK GAAP and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the UK Bribery Act.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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

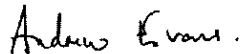
Independent auditor's report to the members of Sports News Television Management Limited (continued)

- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Evans, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

25th June 2021

Sports News Television Management Limited

Profit and loss account and Statement of changes in equity Year ended 31 December 2020

Profit and loss account

	Notes	2020 £	2019 £
Share of partnership profits	2	520,382	540,728
Cost of sales		-	-
Gross profit		520,382	540,728
Administrative (expenses)/income		(9,240)	10,403
Exchange loss on operating activities		(23,090)	(15,370)
Profit before taxation	3	488,052	535,761
Tax on profit	4	(100,076)	(106,872)
Profit for the financial year		387,976	428,889
Profit for the financial year attributable to the equity shareholders of the company		387,976	428,889

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

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £387,976 in the year ended 31 December 2020 (2019: profit of £428,889).

Statement of changes in equity

	Share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 1 January 2019	5,000	128,589	133,589
Year ended 31 December 2019			
Total profit for the financial year	-	428,889	428,889
Dividends declared during the year	-	(440,000)	(440,000)
At 31 December 2019	5,000	117,478	122,478
Year ended 31 December 2020			
Total profit for the financial year	-	387,976	387,976
Dividends declared during the year	-	(420,000)	(420,000)
At 31 December 2020	5,000	85,454	90,454

The notes form an integral part of the financial statements.

Sports News Television Management Limited

Balance sheet

As at 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Investment in associate	6	135,125	174,618
Current assets			
Cash at bank and in hand		25,656	26,111
Creditors: amounts falling due within one year	7	(70,327)	(78,251)
Net current liabilities		(44,671)	(52,140)
Total assets less current liabilities, being net assets		90,454	122,478
Capital and reserves			
Called up share capital	8	5,000	5,000
Profit and loss account		85,454	117,478
Shareholders' funds		90,454	122,478

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements of Sports News Television Management Limited, registered number 03177758 were approved by the Board of Directors and authorised for issue on 25th June 2021.

Signed on behalf of the Board of Directors



D Fay
Director

The notes form an integral part of the financial statements.

Sports News Television Management Limited

Notes to the financial statements Year ended 31 December 2020

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

Basis of preparation

Sports News Television Management Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The financial statements have been prepared under the historical cost convention, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

Directors' assessment of going concern and subsequent events

The company's business activities together with the factors likely to affect its future development, performance and position are discussed in the directors' report on pages 2 to 3.

The company generated a profit for the financial year of £387,976 (2019: £428,889) and has net assets of £90,454 (2019: £122,478). The company had net current liabilities of £44,671 (2019: £52,140) and in determining if the business is going concern, the directors have considered the company's financial forecasts, budgets and cash flows for the period of at least twelve months from the date of approval of these financial statements.

The current economic conditions and ongoing COVID-19 pandemic create some uncertainty about future demand. In noting this, the Partnership benefits from a number of medium to long term contracts which reduce their short term exposure to such conditions and in turn limits short term volatility in the Partnership's performance.

The directors have adopted the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of a severe downside scenario for the COVID-19 crisis. The major variables are the depth and the duration of COVID-19 crisis and the impact that the pandemic will have on our customers. Which, to this date have been managed appropriately and have had little financial or operational impact on the business.

Based on the current and ongoing impact assessments performed on Sports News Television Management Ltd., the Directors do not consider there to be a material impact on the company's ability to trade as a going concern for the next 12 months.

After making enquiries and based on the information presented above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the yearend date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the yearend date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Sports News Television Management Limited

Notes to the financial statements (Continued) Year ended 31 December 2020

1. Accounting policies (continued)

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. The only exception to this is the share of profits from SNTV (note 2). Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. The exchange rate as at 31 December 2020 was £1- US\$1.37 (2019: £1.00- US\$1.32).

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

Financial instruments

Financial instruments such as trade and other debtors/creditors, cash and cash equivalents, are recognised initially at fair value. Subsequent to initial recognition financial instruments are measured at fair value with changes recognised in the income statement.

2. Share of partnership profits

The investment in the partnership is recognised at 5% of the net assets of Sports News Television (Limited Partnership) as at 31 December 2020. The share of partnership profits is therefore the movement in the 5% of the share of net assets, which is equivalent to the 5% share in profits of Sports News Television (Limited Partnership) and the distributions received.

3 Profit before taxation

	2020	2019
	£	£
This is stated after charging:		
Auditor's remuneration – audit services	5,800	5,500
– tax compliance services	2,849	2,846

None of the directors received remuneration for their qualifying services to the company (2019: none).

The company had no employees during the year (2019: none).

4 Tax on profit

(a) Tax on profit

The tax charge is made up as follows:

Sports News Television Management Limited

Notes to the financial statements (Continued) Year ended 31 December 2020

	2020 £	2019 £
Current tax:		
UK corporation tax on the profit for the year	100,704	103,606
Double taxation relief	(40,535)	(33,531)
Adjustments in respect of previous periods	(628)	3,266
	<u>59,541</u>	<u>73,341</u>
Foreign tax	40,535	33,531
Tax on profit (note 4(b))	<u>100,076</u>	<u>106,872</u>

(b) Factors affecting tax charge for the year

The tax assessed for the year of 19% (2019: 19%) differs from the blended rate of corporation tax in the UK. The differences are explained below:

	2020 £	2019 £
Profit before taxation	<u>488,052</u>	<u>535,761</u>
Profit multiplied by blended rate of corporation tax in the UK of 19% (2019: 19%)	92,730	101,795
Effects of:		
Adjustments to share of partnership profits	7,974	1,811
Foreign tax	40,535	33,531
Double taxation relief	(40,535)	(33,531)
Adjustments in respect of previous periods	(628)	3,266
Current tax for the year (note 4(a))	<u>100,076</u>	<u>106,872</u>

We also draw attention to the UK government's budget announcement to raise corporation tax from its current level of 19% to 25% from April 2023.

5. Dividends

	2020 £	2019 £
Dividends declared / paid at £84 per share (2019: £88)	<u>420,000</u>	<u>440,000</u>

6. Investment in associate

	2020 £	2019 £
Opening Balance	174,618	193,946
Share of decrease in net assets	(39,493)	(19,328)
Investment in Sports News Television (Limited Partnership)	<u>135,125</u>	<u>174,618</u>

Sports News Television Management Limited

Notes to the financial statements (Continued) Year ended 31 December 2020

7. Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals	10,614	7,660
Corporation Tax	59,713	70,591
	<u>70,327</u>	<u>78,251</u>

8. Called up share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

Sports News Television Management Limited

Notes to the financial statements (Continued) Year ended 31 December 2020

9. Statement of movements in reserves

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2020	5,000	117,478	122,478
Total profit for the financial year	-	387,976	387,976
Dividends declared during the year	-	(420,000)	(420,000)
At 31 December 2020	<u>5,000</u>	<u>85,454</u>	<u>90,454</u>

10. Capital commitments

The company had no capital commitments at 31 December 2020 (2019: £nil).

11. Contingent liabilities

There were no contingent liabilities at 31 December 2020 (2019: £nil).

12. Sports News Television (Limited Partnership)

The company has a 5% investment in Sports News Television (Limited Partnership) a limited partnership with the same registered office as the company.

A copy of the latest financial statements of the partnership is appended to the copy of the company's financial statements filed with the Registrar of Companies.

13. Events after the reporting period

The partnership paid Sports News Television Management Ltd US\$160,000 (£116,787) (2019: US\$330,000 (£250,000)) in profit distributions after 31 December 2020.

14. Ultimate parent undertaking and controlling party

Sports News Television Management Limited is a 50:50 joint venture between Trans World International LLC (US) and The Associated Press Limited.

Trans World International LLC (US) is an indirect subsidiary of Endeavor Group Holdings, Inc. which is incorporated in the USA and is controlled by certain Silver Lake funds. Endeavor Group Holdings, Inc. is the largest and smallest group of which the company is a member and for which group financial statements are prepared. Requests for financial information should be addressed to Seth Krauss, 200 5th Ave., 7th Floor, New York, NY 10010 USA.

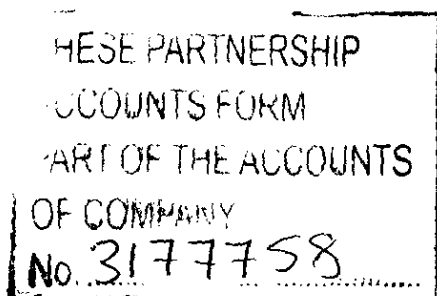
The Associated Press Limited's ultimate parent company is The Associated Press, which is incorporated in the United States of America and is both the smallest and the largest entity in the group for which group financial statements are prepared. The address of the company's ultimate parent undertaking is 200 Liberty Street, New York, NY 10281, USA, the group financial statements can be obtained from www.ap.org.

Registered Number: LP005161

Sports News Television (Limited Partnership)

Annual report and financial statements

For the year ended 31 December 2020



COMPANIES HOUSE

Sports News Television (Limited Partnership)

Annual report and financial statements for the year ended 31 December 2020

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Sports News Television (Limited Partnership)

Annual report and financial statements for the year ended 31 December 2020

Officers and professional advisers

General Partner

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

Limited Partners

IMG Media Limited
The Associated Press

Registered Office

Sports News Television
Building 6
566 Chiswick High Road
London, W45HR
England
United Kingdom
Company No. LP005161

Bankers

Skandinaviska Enskilda Banken
SEB London
One Carter Lane
London EC4V 5AN

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Sports News Television (Limited Partnership)

Strategic Report

The business continues to recognise risks with regards to the ongoing COVID-19 outbreak. With continuing uncertainty surrounding the duration and depth of the impact of this pandemic, we note the ongoing risk to the business. However, to date and as recognised in these financial statements, the global pandemic has not had a material effect on the Partnership's financial position. Further detail is discussed in the going concern disclosures in the accounting policies note (note 1).

See General Partner's Report for disclosure of fair review of business and KPIs.

Risk

The global coronavirus pandemic involving the spread of Covid-19 has presented a number of different risks to the business. The spread was rapid but the management of the virus has began to improve, though the global economic outlook remains uncertain. Our workforce operate in a wide range of geographic locations globally and the risks of adverse health and safety, operational and financial impacts arising from the pandemic and the associated governmental responses in the markets where we operate could be significant. However, to date, these risks have been mitigated effectively and we have ensured the safety of our employees by following local government regulations and guidelines in the regions in which we operate and continue to do so. As a result, there has been little to no impact on the business' ability to fulfil its contractual obligations safely.

In the last year since the global pandemic has materially impacted business operations around the world, demand from our customer base has remained at a sustainable level as we have continued to deliver the services required of us.

Risk mitigation

SNTV has taken action across a range of fronts in mitigation of the risks presented by the pandemic, principally reductions in costs and the adoption of remote working for the majority of the workforce. The group continues to monitor the pandemic and the impact on the operations on an ongoing basis through regular analysis of cash movements and open conversations with key stakeholders, including the partners of the business.

We continue to respond dynamically as a business to the changing situation that the Coronavirus pandemic has created. We will continue with our current focused approach to protect the Partnership and its key stakeholders until the impact of Covid-19 abates.

Our priorities remain the health and safety of our workforce, customer service, financial discipline and business continuity.

From a going concern basis, risk is further mitigated by the subscription-based nature of the business in which clients hold long term agreements with SNTV for the services provided. Additionally, where there are impacts to the sporting calendar, SNTV have been able to reduce costs and therefore reduce impact of any lost revenue. This has meant that SNTV has been able to continue to trade profitably and retain a net asset position.

Sports News Television (Limited Partnership)

General partner's report

Sports News Television Management Limited (the 'General Partner') presents the annual Partnership report and audited financial statements for the year ended 31 December 2020. The financial statements are presented in US dollars (US\$).

Directors

K Dale
D Veerasingham
M Giarrusso
A MacIntyre
M Masquelier (resigned 2nd July 2020)
B Nicholas (resigned 2nd July 2020)
A Kelly (resigned 2nd July 2020)
N Hampel (appointed 2nd July 2020)
J Kilmartin (appointed 2nd July 2020)
R Wise (appointed 2nd July 2020)
D Fay (resigned 30th September 2020)
D Winkworth (appointed 30th September 2020)

Principal activity and review of the business

The partnership operates as a television sports news agency for the supply of sports news to broadcasters and other persons, producing on average 60 video stories per day.

The key performance indicators of the partnership are:

	2020 US\$	2019 US\$	Increase / (Decrease) US\$	Increase / (Decrease) %
Revenue	24,015,360	26,788,430	(2,773,070)	(10.4) %
Net profit	13,534,751	13,915,855	(381,104)	(2.7) %
Net assets	3,700,336	4,600,682	(900,346)	(19.6) %

The result and position of the partnership were in line with the partners' expectations. The decrease in revenue compared to the previous year is principally a result of known challenges in the market such as downward pressure on prices and increased customer concentration in some markets, as well as the impact of COVID-19 which caused short term decreases to both revenue and costs.

Net assets have decreased year on year due to a decrease in trade receivables outstanding at year end, as well as an increase in outstanding payables to partners and increase in drawings during the year which have offset an increase in cash holdings.

Future developments

The General Partner does not anticipate any significant change in the activities and results of the partnership in the foreseeable future.

Partners' capital agreement

The partners during the year together with their share of capital were as follows (2020 – same partners and shares):

Sports News Television Management Limited (General Partner)	5%
IMG Media Limited (Limited Partner)	47.5%
The Associated Press (Limited Partner)	47.5%

Sports News Television (Limited Partnership)

General partner's report

All of the partners are entitled to a share of partnership profits based on their share of capital. The General Partner carries the liability for the Partnership and has the right to bind the partnership in its business. All Partners are responsible for their own share of tax.

Risks and uncertainties

The principal risks and uncertainties facing the partnership are:

Loss of clients

The partnership may lose contracts/and or clients due to business failure or contract expiration. Such a loss may have a material impact on the partnership's results. Relationships with clients are managed closely, particularly those with a significant contribution to revenue. As such, we are able to discuss any issues with clients at an early stage and work alongside them to resolve any issues.

Credit risk

The partnership deals with a global client base across a number of different regions, therefore there is a risk that customers may not adhere to the payment terms agreed in the contract and potentially default on payments. To mitigate this, invoicing is agreed with the customer in advance and the partnership does not offer extended credit terms. In addition, trade debtor balances are monitored on an ongoing basis with the result that the partnership's exposure to bad debts is minimised.

Exchange rate fluctuations

The partnership currently operates globally and is, and will continue to be, exposed to foreign currency rate fluctuations. The partnership uses external advice on currency dealings with its bank. Where possible, natural hedges are used.

Brexit

The UK's departure from the European Union has resulted in a number of rule changes pertaining the UK's relationship with countries within the European Union as of 1st January 2021. After careful consideration of the agreement in place, due to the nature of our product offering and our operational structure we predict minimal impact on business operations to the partnership, however we continue to monitor the impact of any potential further rule changes to the business.

Events since the balance sheet date

The partnership declared and paid US\$3,200,000 in profit distributions after 31 December 2020 (2019: US\$6,600,000).

No events have occurred after the balance sheet date, which would influence the evaluation of these financial statements.

Going concern

After making enquiries, the directors have a reasonable expectation that the partnership has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

Results and distributions

There was a profit for the year of US\$13,534,751 (2019: profit of US\$13,915,856), which has been transferred to partners' capital accounts in accordance with the ratios set out in the statement of changes in partners capital accounts. The partnership distributed profits in the total amount of US\$14,435,097 during the year (2019: distributions of US\$14,255,720).

The partnership retains profits sufficient to keep investing in the future of the business as deemed necessary by the directors. All remaining profit is disbursed to the partners.

Sports News Television (Limited Partnership)

General partner's report

Auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006 as applied to limited partnerships.

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

Approved by the Partners
and signed on behalf of the Partners



D Fay
Director
General Partner

25th June 2021

Sports News Television (Limited Partnership)

General partner's responsibilities statement

The General Partner is responsible for preparing the financial statements in accordance with the Limited Partnership Agreement.

The Limited Partnership Agreement requires the General Partner to prepare financial statements for each financial year. Under the Limited Partnership Agreement the General Partner has elected to prepare the financial statements 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". The financial statements are required by law to be prepared in accordance with the Limited Partnership Agreement.

In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue.

The General Partner is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Limited Partnership and enable them to ensure that the financial statements comply with the Limited Partnership Agreement. They are also responsible for safeguarding the assets of the Limited Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sports News Television (Limited Partnership)

Independent auditor's report to the members of Sports News Television (Limited Partnership)

Independent auditor's report to the members of Sports News Television (Limited Partnership)

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Sports News Television (Limited Partnership):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in partner's capital accounts;
- the statement of cash flows; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 qualifying partnership'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.

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

Other information

The general partners are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Sports News Television (Limited Partnership)

Independent auditor's report to the members of Sports News Television (Limited Partnership) (continued)

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 members are responsible for assessing the qualifying partnership'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 members either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the qualifying partnership's industry and its control environment, and reviewed the qualifying partnership's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the qualifying partnership operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, UK GAAP and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the UK Bribery Act.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the

Sports News Television (Limited Partnership)

Independent auditor's report to the members of Sports News Television (Limited Partnership) (continued)

appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the members' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the members' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the qualifying partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership and the qualifying partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Evans, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
25th June 2021

Sports News Television (Limited Partnership)

Income statement

For the year ended 31 December 2020

	Notes	2020 US\$	2019 US\$
Revenue	2	24,015,360	26,788,430
Cost of sales		<u>(4,982,568)</u>	<u>(6,778,411)</u>
Gross profit		19,032,792	20,010,019
Administrative expenses		<u>(5,498,041)</u>	<u>(6,094,163)</u>
Operating profit	3	<u>13,534,751</u>	<u>13,915,856</u>
Profit for the financial year		<u><u>13,534,751</u></u>	<u><u>13,915,856</u></u>

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

Statement of comprehensive income

Year ended 31 December 2020

There are no recognised gains or losses other than the profit attributable to the partners of the Limited Partnership of US\$13,534,751 in the year ended 31 December 2020 (2019: profit of US\$13,915,856).

The notes form an integral part of the financial statements.

Sports News Television (Limited Partnership)

Statement of financial position As at 31 December 2020

	Notes	2020 US\$	2019 US\$
Non-current assets			
Property, plant and equipment	5	173,530	276,962
Current assets			
Trade and other receivables	6	3,831,285	4,612,270
Cash at bank and in hand		2,630,404	2,176,653
		6,461,689	6,788,923
Current liabilities	7	(2,934,883)	(2,465,203)
Net current assets		3,526,806	4,323,720
Total assets less current liabilities, being net assets		3,700,336	4,600,682
Partners' capital financial statements			
SNTV Management Limited		185,016	230,034
The Associated Press Inc		1,757,660	2,185,324
IMG Media Limited		1,757,660	2,185,324
Capital and reserves		3,700,336	4,600,682

The financial statements of Sports News Television (Limited Partnership) were approved by the Board of Directors on 25th June 2021.

Signed on behalf of the Partners

Duncan Fay

D Fay
Director
General Partner

25th June 2021

The notes form an integral part of the financial statements.

Sports News Television (Limited Partnership)

Statement of changes in partners' capital accounts Year ended 31 December 2020

	Sports News Television Management Limited US\$	The Associated Press Inc US\$	IMG Media Limited US\$	Total US\$
Balance at 1 January 2019	<u>247,026</u>	<u>2,346,760</u>	<u>2,346,760</u>	<u>4,940,546</u>
Year ended 31 December 2019				
Profit for the financial year	695,794	6,610,031	6,610,031	13,915,856
Partners' drawings	<u>(712,786)</u>	<u>(6,771,467)</u>	<u>(6,771,467)</u>	<u>(14,255,720)</u>
Balance at 31 December 2019	<u>230,034</u>	<u>2,185,324</u>	<u>2,185,324</u>	<u>4,600,682</u>
Year ended 31 December 2020				
Profit for the financial year	676,737	6,429,007	6,429,007	13,534,751
Partners' drawings	<u>(721,755)</u>	<u>(6,856,671)</u>	<u>(6,856,671)</u>	<u>(14,435,097)</u>
Balance at 31 December 2020	<u>185,016</u>	<u>1,757,660</u>	<u>1,757,660</u>	<u>3,700,336</u>

The notes form an integral part of the financial statements.

Sports News Television (Limited Partnership)

Statement of cash flows Year ended 31 December 2020

	2020 US\$	2019 US\$
Cash flows from operating activities		
Profit for the financial year	13,534,751	13,915,856
Adjustments for:		
Depreciation of tangible fixed assets	133,525	154,260
Foreign exchange (gain) on revaluation of cash at bank and in hand	(35,249)	(895)
Decrease in trade and other receivables	656,069	260,867
Decrease in amounts owed by related parties	124,916	310,793
Increase in creditors	(130,531)	(322,884)
Increase/(Decrease) in amounts owed to related parties	600,210	(60,486)
Net cash generated from operating activities	14,883,691	14,257,510
Cash flows used in investing activities		
Purchase of tangible fixed assets	(30,093)	(47,833)
Net cash used in investing activities	(30,093)	(47,833)
Cash flows from financing activities		
Partnership distributions paid	(14,435,097)	(14,255,720)
Net cash used in financing activities	(14,435,097)	(14,255,720)
Net increase / (decrease) in cash and cash equivalents	418,501	(46,043)
Cash and cash equivalents at beginning of year	2,176,653	2,221,801
Foreign exchange gain on cash held in foreign currency	35,249	895
Cash at bank and in hand	2,630,404	2,176,653

The notes form an integral part of the financial statements

Sports News Television (Limited Partnership)

Notes to the financial statements For the year ended 31 December 2020

1. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis. The Partnership's functional and presentational currency is the US dollar. Sports News Television (Limited Partnership) is incorporated in the United Kingdom under Companies Act 2006 as applied to qualifying partnerships. The address of the registered office is given on page 1. The General Partner of Sports News Television is the controlling party given on page 2.

Going concern

Partners' assessment of going concern and subsequent events

The current economic conditions and ongoing COVID-19 pandemic create some uncertainty about future demand. In noting this, the Partnership benefits from a number of medium to long term contracts which reduce their short term exposure to such conditions and in turn limits short term volatility in the Partnership's performance.

The directors have adopted the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of a severe downside scenario for the COVID-19 crisis. The major variables are the depth and the duration of COVID-19 crisis and the impact that the pandemic will have on our customers. Which, to this date have been managed appropriately and have had little financial impact on results.

The Partnership has net assets of US\$3.7m (2019: US\$4.6m) and has a long track record of sustained operational profitability (2020 profit of US\$13.5m and 2019 profit of US\$13.9m) and cash generation and has a geographically diverse list of customers and suppliers. The Partnership has a strong balance sheet with significant levels of cash for its size. The Partnership has stress tested the going concern assumption and whilst the downturn could have an impact on profitability, in all scenarios the Partnership remains profitable and cash generative for the next 12 months. The Partnership continues to monitor developments of the virus and have additional levers open to it if there is an unexpected impact from COVID-19, such as deferring payment of partner drawings (2020 – US\$14.4m and 2019 - US\$14.3m)

The directors believe that the Partnership is well placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the Partnership will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements, including mitigating actions available in the case of unforeseen cash shortfalls. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and provision for impairment. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Fixtures and fittings	-	33.3% per annum
Production equipment	-	33.3% per annum
Computer equipment	-	33.3% per annum
Hosting hardware	-	50% per annum

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Sports News Television (Limited Partnership)

Notes to the financial statements (Continued) **Year ended 31 December 2020**

1. Accounting policies (continued)

Production costs

Production costs are charged to the profit and loss account as incurred.

Taxation

Under current UK tax legislation, the profits of the Limited Partnership are taxable on the individual partners. No tax charge is made in the profit and loss account of the Limited Partnership.

Foreign currencies

The functional currency of the Partnership is considered to be US dollars because that is the currency of the primary economic environment in which the Partnership operates. Foreign operations are included in accordance with the policies set out below.

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are re-translated at the rates of exchange ruling at the balance sheet date, and differences are taken to the profit and loss account. The exchange rate as at 31 December 2020 was £1 - \$1.37 and €1 - \$1.23 (2019: £1.00 - \$1.32 and €1 - \$1.12).

Post retirement benefits

The partnership operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the partnership in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period (note 9).

Revenue

Revenue is recognised to the extent that the partnership obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue is recognised on a monthly basis as services are provided.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

Financial instruments

Financial assets and financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Partnership after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets such as trade and other receivables, cash at bank, classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Partnership intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Sports News Television (Limited Partnership)

Notes to the financial statements (Continued) Year ended 31 December 2020

1. Accounting policies (continued)

Financial instruments (continued)

Financial assets and liabilities (continued)

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Partnership transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Partnership, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Significant judgements in accounting policies

Management have not made any significant judgements in accounting policies during the financial year.

Key sources of estimation uncertainty

Management have not required the use of critical accounting estimates during the financial year.

Partners' drawings

The partnership retains profits sufficient to keep investing in the future of the business as deemed necessary by the directors. All remaining profit is disbursed to the partners. Partners' drawings are recognised when they are paid.

2. Revenue

Revenue is derived from the partnership's principal activity as defined in the General Partner's report, and is stated net of VAT.

	2020 US\$	2019 US\$
Geographical market by destination:		
United Kingdom	676,310	858,322
Europe	7,019,698	7,896,762
Middle East	5,924,239	6,353,176
Rest of the world	10,395,113	11,680,170
	<u>24,015,360</u>	<u>26,788,430</u>

3. Operating profit

	2020 US\$	2019 US\$
This is stated after charging:		
Auditor's remuneration – Audit of these financial statements	36,540	35,750
– Tax Compliance Services	872	1,889
Depreciation	133,525	154,260
Contributions to defined contribution pension scheme (note 9)	188,829	171,680
Foreign exchange (gain) / loss	<u>(130,588)</u>	<u>110,258</u>

Sports News Television (Limited Partnership)

Notes to the financial statements (Continued) Year ended 31 December 2020

4. Staff costs

The average monthly number of persons employed by the partnership was as follows:

	2020 Number	2019 Number
Production	23	23
Distribution	5	4
Sales	9	9
Administration	5	5
	<u>42</u>	<u>41</u>

The aggregate payroll cost of these employees was as follows:

	2020 US\$	2019 US\$
Wages and salaries (including bonuses)	3,886,469	4,046,007
Social security costs	358,982	333,183
Other pension costs	188,829	171,680
	<u>4,434,280</u>	<u>4,550,870</u>

There were no payments made to directors during the year ended 31 December 2020 (2019: US\$nil).

5. Property, plant and equipment

	Production equipment US\$	Hosting hardware US\$	Computer equipment US\$	Fixture and fittings US\$	Total US\$
Cost					
At 1 January 2020	1,368,903	74,637	371,648	130,887	1,946,075
Additions	12,000	-	18,093	-	30,093
At 31 December 2020	<u>1,380,903</u>	<u>74,637</u>	<u>389,741</u>	<u>130,887</u>	<u>1,976,168</u>
Depreciation					
At 1 January 2020	(1,145,284)	(74,637)	(318,305)	(130,887)	(1,669,113)
Charge for the year	(101,228)	-	(32,297)	-	(133,525)
At 31 December 2020	<u>(1,246,512)</u>	<u>(74,637)</u>	<u>(350,602)</u>	<u>(130,887)</u>	<u>(1,802,638)</u>
Net book value					
At 31 December 2020	<u>134,391</u>	<u>-</u>	<u>39,139</u>	<u>-</u>	<u>173,530</u>
At 31 December 2019	<u>223,619</u>	<u>-</u>	<u>53,343</u>	<u>-</u>	<u>276,962</u>

The company had no capital commitments as at 31 December 2020. There were no capital commitments as at 31 December 2019.

Sports News Television (Limited Partnership)

Notes to the financial statements (Continued) Year ended 31 December 2020

6. Trade and other receivables

	2020 US\$	2019 US\$
Trade receivables	2,750,289	3,396,208
Amounts due from related parties	557,122	682,038
Prepaid expenses	140,286	265,941
Accrued revenue	383,588	268,083
	<u>3,831,285</u>	<u>4,612,270</u>

Amounts due from related parties are repayable on demand, non-secured and non-interest bearing.

The total amount of financial assets that are debt instruments measured at amortised cost at 31 December 2020 is \$3,831,285 (2019: \$4,612,270).

7. Current Liabilities

	2020 US\$	2019 US\$
Trade creditors	9,456	33,498
Amounts due to related parties	1,238,393	638,182
VAT payable	56,792	72,542
Accruals and deferred income	1,630,242	1,720,981
	<u>2,934,883</u>	<u>2,465,203</u>

Amounts due to related parties are repayable on demand, non-secured and non-interest bearing.

The total amount of financial liabilities measured at amortised cost at 31 December 2020 is \$2,934,883 (2019: \$2,465,203).

8. Events since the balance sheet date

The partnership declared and paid US\$3,200,000 in profit distributions after 31 December 2020 (2019: US\$6,600,000).

9. Pensions

The partnership operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the partnership to the scheme and amounted to US\$188,829 (2019: US\$171,680).

There were US\$53,046 (2019: US\$24,998) in contributions accrued at the end of the financial year.

10. Other financial commitments

The company had no capital commitment amounting at 31 December 2020 (2019: \$nil). The partnership is holding no client deposits at 31 December 2020 (2019: US\$nil).

Sports News Television (Limited Partnership)

Notes to the financial statements (Continued) **Year ended 31 December 2020**

11. Related parties

Sports News Television (Limited Partnership) is a limited partnership. The partners and their respective interests in the profits and losses of the partnership are set out in the General Partner's report on page 3.

Details of the partners' capital accounts are set out in page 12. Balances due from and to related parties are given in note 6 and note 7, respectively. The related party transactions are on standard terms, not secured and to be settled in cash.

During the year the partnership purchased services from two of its partners, The Associated Press and IMG Media Limited, and other related parties to the value of US\$2,034,179 (2019: US\$3,088,012). At 31 December 2020, the outstanding balance payable to its partners was US\$1,238,392 (2019: US\$638,182). During the year the partnership sold subscriptions and ad-hoc revenue totalling US\$1,242,856 (2019: US\$1,307,554) to its partners and other related parties. At 31 December 2020, the outstanding balance receivable from its partners and other related parties was US\$557,122 (2019: US\$682,038). There were no payments made to directors during the year ended 31 December 2020 (2019: US\$nil).