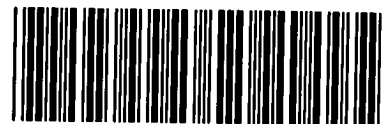


Company registration number: 05001368

Cable News International Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2022

MONDAY



RCBTGU69

RM

11/09/2023

#113

COMPANIES HOUSE

Cable News International Limited

Contents

Company Information	1
Strategic Report	2 to 5
Directors' Report	6 to 9
Statement of Directors' Responsibilities	10
Independent Auditor's Report	11 to 14
Income Statement	15
Statement of Changes in Equity	16
Statement of Financial Position	17
Notes to the Financial Statements	18 to 32

Cable News International Limited

Company Information

Director A Serrato

Registered office 160 Old Street
London
EC1V 9BW

**Independent
Auditors** PricewaterhouseCoopers LLP
1 Embankment Place
London
United Kingdom
WC2N 6RH

Banker Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Cable News International Limited

Strategic Report for the Year Ended 31 December 2022

The Strategic Report for the year ended 31 December 2022. In preparing this Strategic Report, the director has complied with section 414c of the Companies Act 2006.

Principal activity

The principal activity of Cable News International Limited ("the company") is news programme production and news gathering which includes the research, collation, verification, creation and storage of content intended for inclusion in Cable News Network's programming.

Results

Profit for the year after taxation amounted to \$1,378,000 (2021: \$1,246,000).

Net assets as at 31 December 2022 amounted to \$41,789,000 (2021: \$40,367,000).

Review of the business and KPIs

Turnover has increased year on year as a result of increased activity in the business stemming from the war in the Ukraine. Net assets have increased from prior year due to an increase in the cash position and debtors owed to the company.

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

	Unit	2022	2021
Turnover	\$ 000	67,695	63,546
Operating profit	\$ 000	1,172	982
Operating margin	%	2	2
Number of employees		250	235

Principal risks and uncertainties

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

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

The media industry in the UK and Europe is subject to substantial competitive pressure and rapid technological change, and this is a continuing risk for the company.

Sales and expenditure are made in many currencies other than the US Dollar and the company is therefore exposed to foreign currency exchange rate movements. Any uncertainty in currency movement is mitigated through FX hedging which was delegated to Warner Bros. Discovery, Inc. group during the period under review.

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

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

Cable News International Limited

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

Section 172(1) Statement

Introduction

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

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

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

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

Standards of Business Conduct

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

Key Strategic Decisions

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

Cable News International Limited

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

Section 172(1) Statement (continued)

Relations with Employees

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

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

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

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

Relations with Stakeholders

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

(1) Consumers

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

(2) Suppliers

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

Cable News International Limited

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

Section 172(1) Statement (continued)

Impact of operations on the community and the environment

Community

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

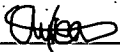
Environment

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

Relations with Shareholders

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

On behalf of the Board


A Serrato
Director

Date: 01/09/2023

Cable News International Limited

Director Report for the Year Ended 31 December 2022

The director presents their annual report on the affairs of Cable News International Limited ("the company") together with the audited financial statements for the year ended 31 December 2022.

Dividends

No dividends were paid during the year (2021 - £nil). The directors do not propose a declaration of a final dividend.

Ownership change

On 8 April 2022, the then ultimate parent company, AT&T Inc. combined the Warner Media content unit with Discovery Inc. Under the agreement, this formed a new media company called Warner Bros. Discovery, Inc. which is separate from AT&T Inc.

Future developments

The directors will continue to exploit the activities from continuing operations having regards to the principal risks and uncertainties described in the Strategic Report.

Going concern

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

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

Directors of the company

Except as noted below, the directors of the company who were in office during the year and up to the date of signing the financial statements were:

E Browne (resigned 28 February 2023)

B Ferrer (resigned 7 June 2022)

The following director was appointed after the year end:

A Serrato (appointed 15 February 2023)

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

Directors qualifying third party indemnity provisions

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

Cable News International Limited

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

Employee and Business Engagement

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

Employment of disabled persons

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

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

Streamlined Energy and Carbon Reporting (SECR)

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

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

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

Emissions were calculated with the 2022 DEFRA emission factors.

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

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

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

Cable News International Limited

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

Streamlined Energy and Carbon Reporting (SECR) (continued)

	31 December 2022	Restated* 31 December 2021
Energy consumption used to calculate emissions (kWh)	621,612	374,802
Emissions from combustion of gas (Scope 1) tCO ₂ e	2	2
Emissions from combustion of fuel for transport purposes (Scope 1) tCO ₂ e	2	2
Emissions from purchased electricity (Scope 2, location-based) tCO ₂ e	116	78
Total gross tCO ₂ e based on above	120	82
Intensity ratio (tCO ₂ e/employees)	0.444810	0.346940

Monthly average employees for the company was 250 (2021 - 235).

*Disclaimers:

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

Energy efficiency actions taken

The Company has continued to achieve direct and indirect savings in energy and associated carbon emissions, through operational and technological improvements, including:

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

Disclosure of information to the auditors

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

- so far as the director is aware, there is no relevant audit information of which the company's 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 section 418 of the Companies Act 2006.

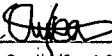
Cable News International Limited

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

Independent auditors

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

The financial statements on pages 15 to 32 were approved by the Board of Directors on the date noted below and signed on its behalf by


Aurea Garrido (Sep 1, 2023 15:40 GMT+1)

A Serrato
Director

Date: 01/09/2023

Cable News International Limited

Statement of Director's Responsibilities

The director is responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 director is responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is also 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.

Directors' confirmations

In the case of each director in office at the date the director report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Cable News International Limited

Independent Auditor's Report to the Members of Cable News International Limited

Report on the audit of the financial statements

Opinion

In our opinion, Cable News International Limited's financial statements:

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

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Cable News International Limited

Independent Auditor's Report to the Members of Cable News International Limited (continued)

Reporting on other information

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

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

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

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

Strategic Report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Cable News International Limited

Independent Auditor's Report to the Members of Cable News International Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Inquiries with management of known or suspected instances of non-compliance with laws and regulations, and fraud;
- Inquiries with management and internal counsel to identify any pending litigation;
- Identifying and testing validity of journal entries, in particular any journal entries posted with unusual account combinations, unusual words and unexpected users;
- Substantive testing of turnover recorded in the year by recalculation of the amount of turnover recognised, verification that the amount of turnover is in accordance with contractual terms, and agreement of the turnover to remittances; and
- Reviewing board meeting minutes up to the date of the audit report.

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

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

Cable News International Limited

Independent Auditor's Report to the Members of Cable News International Limited (continued)

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Prashant Bagree

Prashant Bagree (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
United Kingdom

Date: 4 September 2023

Cable News International Limited
Income Statement
for the Year Ended 31 December 2022

	Note	Year ended 31 December 2022 \$ 000	Restated* Year ended 31 December 2021 \$ 000
Turnover	2.	67,695	63,546
Cost of sales		<u>(63,351)</u>	<u>(61,826)</u>
Gross profit		4,344	1,720
Administrative expenses		<u>(3,172)</u>	<u>(738)</u>
Operating profit	3	1,172	982
Interest receivable and similar income	6	70	-
Interest payable and similar expenses	7	<u>(37)</u>	<u>(207)</u>
Profit before tax		1,205	775
Tax on profit	8	<u>173</u>	<u>471</u>
Profit for the financial year		<u><u>1,378</u></u>	<u><u>1,246</u></u>

All amounts relate to continuing operations.

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

* See Note 19 for details of prior year restatement

The notes on pages 18 to 32 form an integral part of these financial statements.

Cable News International Limited

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

	Share capital \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2021	13,567	25,508	39,075
Profit for the year	-	1,246	1,246
Increase in equity related to equity settled share based payment transaction	-	46	46
At 31 December 2021	<u>13,567</u>	<u>26,800</u>	<u>40,367</u>

	Share capital \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2022	13,567	26,800	40,367
Profit for the year	-	1,378	1,378
Increase in equity related to equity settled share based payment transaction	-	44	44
At 31 December 2022	<u>13,567</u>	<u>28,222</u>	<u>41,789</u>

The notes on pages 18 to 32 form an integral part of these financial statements.

Cable News International Limited

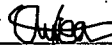
Statement of Financial Position as at 31 December 2022

	Note	31 December 2022 \$ 000	Restated* 31 December 2021 \$ 000
Fixed assets			
Intangible assets	9	1,761	2,540
Tangible assets	10	<u>17,539</u>	<u>23,772</u>
		<u>19,300</u>	<u>26,312</u>
Current assets			
Debtors: amounts falling due after more than one year	11	2,426	1,960
Debtors: amounts falling due within one year	11	26,993	25,240
Cash at bank and in hand		<u>4,451</u>	<u>3,328</u>
		33,870	30,528
Creditors: Amounts falling due within one year	12	<u>(10,549)</u>	<u>(15,516)</u>
Net current assets		<u>23,321</u>	<u>15,012</u>
Total assets less current liabilities		42,621	41,324
Provisions for liabilities	14	<u>(832)</u>	<u>(957)</u>
Net assets		<u>41,789</u>	<u>40,367</u>
Capital and reserves			
Called up share capital	15	13,567	13,567
Profit and loss account		<u>28,222</u>	<u>26,800</u>
Total shareholders' funds		<u>41,789</u>	<u>40,367</u>

* See Note 19 for details of prior year restatement

Company registration number: 05001368

The financial statements on pages 15 to 32 were approved by the Board of Directors on the date noted below and signed on its behalf by:


Aurea G. Serrato (Sep 1, 2023 15:40G MT+1)
A Serrato
Director

Date: 01/09/2023

The notes on pages 18 to 32 form an integral part of these financial statements.

Cable News International Limited

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

1 Accounting policies

a) Statement of compliance

Cable News International Limited is a private limited company incorporated in England & Wales. The Registered Office is 160 Old Street, London, EC1V 9BW.

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

b) Basis of preparation

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

The financial statements are prepared in Dollars which is the functional currency of the company and rounded to the nearest \$'000. The accounting policies have been applied consistently, other than where new policies have been adopted.

Going concern

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

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

Related parties

The company has taken advantage of the exemption in FRS 102.33.1A not to disclose related party transactions with fellow wholly-owned subsidiary undertakings of Warner Bros. Discovery, Inc., which prepares publicly available consolidated financial statements (see note 18).

Statement of cash flows

The company has taken advantage of the exemption in FRS 102.1.12(b) Reduced disclosures for subsidiaries. A statement of cash flows has not been prepared as the company is a member of a group where the parent, Warner Bros. Discovery, Inc., prepares publicly available consolidated financial statements. (see note 18).

Share based payments

The company has taken advantage of the exemption in FRS 102.1.12(d) Reduced disclosures for subsidiaries. Certain share based payment transactions have not been presented as the company is a member of a group where the ultimate parent, Warner Bros. Discovery, Inc., prepares publicly available consolidated financial statements. (see note 18).

Cable News International Limited

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

1. Accounting policies (continued)

c) Judgements and key sources of estimation uncertainty

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

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other companies in the region. In the judgement of the directors, the company does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme. See note 16 for further details.

Taxation

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

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

Useful economic lives of tangible assets

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

Cable News International Limited

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

1 Accounting policies (continued)

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

Impairment

In preparing these financial statements, the director has made the following judgements:

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

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

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

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

d) Significant accounting policies

Turnover

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

Turnover represents service fee income generated from the company's parent undertaking. This fee is charged on a cost plus basis based on actual costs incurred by the company.

Cost of sales

Cost of sales comprises the external 3rd party and internal costs that are directly associated with the company's principal activity of news programme production and news gathering.

Pensions

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

Certain employees participate in a multi-employer defined pension scheme with other companies in the region. In the judgement of the directors, the company does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme. See note 16 for further details.

Cable News International Limited

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

1 Accounting policies (continued)

d) Significant accounting policies (continued)

Interest receivable and payable

Interest income and expense are recognised on an accruals basis.

Deferred taxation

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

Foreign currencies

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

Share based payments

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

Tangible fixed assets

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

The annual rates of depreciation are as follows:

Leasehold Improvements	- The shorter of 7 years or the remaining term of the lease
Operating equipment	- 5 years
Vehicles	- 5 years
Computer equipment	- 3 years

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

Intangible fixed assets

Computer software is recognised at cost and subsequently measured at cost less accumulated amortisation and provision for impairment. Amortisation is charged on a straight line basis over 5 years, the useful life of the assets.

Cable News International Limited

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

1 Accounting policies (continued)

d) Significant accounting policies (continued)

Provisions for liabilities

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

Leasing commitments

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

Financial instruments

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

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

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

2 Turnover

The company's turnover was derived from its principal activity wholly undertaken in the United Kingdom.

Cable News International Limited

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

3 Operating profit

This is stated after charging/(crediting):

	Year ended 31 December 2022 \$ 000	Year ended 31 December 2021 \$ 000
Depreciation of tangible fixed assets	6,103	7,024
Operating lease rentals	5,334	2,607
Amortisation of intangible fixed assets	785	780
Foreign exchange (gain)/loss	137	738
Auditors remuneration - audit of the financial statements	<u>23</u>	<u>28</u>

4 Directors' remuneration

Each director of the company is also a director of, and paid by, other group related undertakings in the current period who made no recharges to the company. They have provided minimal qualifying services to the company and receive no remuneration in respect of the company and it is not possible to make an accurate apportionment of their remuneration in respect of each of the group undertakings. Accordingly, there was no remuneration in respect of the directors for 2022 (2021 - \$nil).

5 Staff costs

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

	Year ended 31 December 2022 \$ 000	Year ended 31 December 2021 \$ 000
Wages and salaries	33,144	32,713
Social security costs	3,759	2,501
Equity-settled share based payments	44	46
Other pension costs	<u>2,283</u>	<u>2,335</u>
	<u>39,230</u>	<u>37,595</u>

The monthly average number of persons employed by the company (including directors) during the year were as follows:

	2022 No.	2021 No.
Administration and support	<u>250</u>	<u>235</u>

Cable News International Limited

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

6 Interest receivable and similar income

	Year ended 31 December 2022 \$ 000	Year ended 31 December 2021 \$ 000
Interest receivable from group undertakings	<u>70</u>	<u>-</u>

7 Interest payable and similar expenses

	Year ended 31 December 2022 \$ 000	Year ended 31 December 2021 \$ 000
Interest payable to group undertakings	-	207
Unwinding of the discount of the dilapidations provision	<u>37</u>	<u>-</u>
	<u>37</u>	<u>207</u>

8 Tax on profit

a) The tax charge is made up as follows:

	Year ended 31 December 2022 \$ 000	Year ended 31 December 2021 \$ 000
Current tax		
Current tax on profits for the year	-	318
Adjustment in respect of previous periods	<u>285</u>	<u>-</u>
Total current tax	<u>285</u>	<u>318</u>
Deferred taxation		
Origination and reversal of timing differences	(380)	(446)
Effect of changes in tax rates	(120)	(304)
Adjustment in respect of previous periods	<u>42</u>	<u>(39)</u>
Total Deferred Tax	<u>(458)</u>	<u>(789)</u>
Total tax per income statement	<u>(173)</u>	<u>(471)</u>

Cable News International Limited

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

8 Tax on profit (continued)

b) Circumstances affecting total tax charge:

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

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

	Year ended 31 December 2022 \$ 000	Year ended 31 December 2021 \$ 000
Profit before tax	<u>1,205</u>	<u>775</u>
Tax on profit at standard UK tax rate of 19% (2021: 19%)	229	147
Factors affecting the tax (credit)/charge:		
Expenses not deductible	42	43
Group relief received for nil consideration	(587)	(318)
Income not taxable	(34)	-
Adjustment from previous periods	328	(39)
Tax rate changes	(120)	(304)
Share options	<u>(31)</u>	<u>-</u>
Tax credit for the period	<u>(173)</u>	<u>(471)</u>

c) Deferred tax

Deferred tax is provided at 25% (2021 - 25%) in the balance sheet as follows:

	31 December 2022 \$ 000	31 December 2021 \$ 000
Included in debtors	<u>1,725</u>	<u>1,267</u>
	<u>1,725</u>	<u>1,267</u>
Analysed as:		
Fixed asset timing differences	1,517	1,028
Short term timing differences - trading	<u>208</u>	<u>239</u>
	<u>1,725</u>	<u>1,267</u>

Cable News International Limited

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

8 Tax on profit (continued)

Analysis of movement in deferred tax:

	\$ 000
At start of year	1,267
Deferred tax charge to income statement for the period	500
Adjustment in respect of prior years	(42)
At end of year	<u>1,725</u>

The net reversal of the deferred tax expected to occur in the following year is \$732,175 (expected net reversal for 2021 - \$720,000). This is due to capital allowance.

d) Factors affecting future tax charges:

The Finance Act 2021, enacted on 10 June 2021, included legislation to increase the rate of Corporation tax to 25% as of 1 April 2023. The proposed rate rise has no material impact on these or future financial statements.

9 Intangible assets

	Computer software \$ 000
Cost or valuation	
At 1 January 2022	4,003
Disposals	(71)
Additions	<u>6</u>
At 31 December 2022	<u>3,938</u>
Accumulated Amortisation	
At 1 January 2022	1,463
Amortised during the year	785
Disposals	(71)
At 31 December 2022	<u>2,177</u>
Net book value	
At 31 December 2022	<u>1,761</u>
At 31 December 2021	<u>2,540</u>

Cable News International Limited

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

10 Tangible fixed assets

	Leasehold improvement \$ 000	Operating equipment \$ 000	Computer equipment \$ 000	Vehicles \$ 000	Total \$ 000
Cost					
At 1 January 2022	12,443	19,663	3,518	787	36,411
Additions	-	292	83	-	375
Disposals	(4)	(2,061)	(265)	-	(2,330)
At 31 December 2022	12,439	17,894	3,336	787	34,456
Accumulated Depreciation					
At 1 January 2022	3,033	7,525	1,794	287	12,639
Charge for the year	1,192	3,820	934	157	6,103
Disposals	144	(1,736)	(233)	-	(1,825)
At 31 December 2022	4,369	9,609	2,495	444	16,917
Net book value					
At 31 December 2022	8,070	8,285	841	343	17,539
At 31 December 2021	9,410	12,138	1,724	500	23,772

11 Debtors

	31 December 2022 \$ 000	Restated* 31 December 2021 \$ 000
Debtors due after more than one year		
Other debtors	701	693
Deferred tax assets	1,725	1,267
	<u>2,426</u>	<u>1,960</u>
Due within one year		
Amounts owed by group undertakings	26,878	25,002
Other debtors	81	180
Prepayments and accrued income	34	58
	<u>26,993</u>	<u>25,240</u>

Cable News International Limited

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

11 Debtors (continued)

Included within amounts owed by group undertakings is an amount of \$3,500,000 (2021 - \$nil) in respect of an intercompany deposit with Time Warner London Limited ("TWLL"). The deposit was interest bearing at a market rate, being either three month LIBOR minus 0.10% or the actual rates achieved for deposits by TWLL Ltd, minus 0.02%. The deposit was unsecured and repayable on demand.

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

* See Note 19 for details of prior year restatement

12 Creditors

		31 December 2022 \$ 000	Restated* 31 December 2021 \$ 000
	Note		
Due within one year			
Trade creditors		253	2,384
Amounts owed to group undertakings		7,608	7,026
Corporation tax payable	8	530	318
Accruals and deferred income		2,158	5,788
		<u>10,549</u>	<u>15,516</u>

Included within amounts owed to group undertakings is an amount of \$nil (2021 - \$4,600,000) in respect of an intercompany loan with Time Warner London Limited ("TWLL"). The loan was interest bearing at a market rate, being either three month LIBOR minus 0.10% or the actual rates achieved for deposits by TWLL Ltd, minus 0.02%. The loan was unsecured and repayable on demand.

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

* See Note 19 for details of prior year restatement

Cable News International Limited

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

13 Obligations under leases and hire purchase contracts

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

	2022 \$ 000	2021 \$ 000
Not later than one year	3,086	3,461
Later than one year and not later than five years	9,012	10,749
Later than five years	<u>12,475</u>	<u>16,834</u>
	<u>24,573</u>	<u>31,044</u>

14 Provisions for liabilities

	Dilapidation provision \$000
At 1 January 2022	957
Arising during the year	37
Utilised during the year	<u>(162)</u>
At 31 December 2022	<u>832</u>

On 3 January 2019 the company began renting and refitting a new property, 160 Old Street, London, EC1V 9BP. The company's lease on the property is due to expire on 4 January 2034.

15 Called up Share capital

Issued, allotted, called up and fully paid

	31 December 2022		31 December 2021	
	No.	\$	No.	\$
Ordinary shares of £1.00 each	<u>10,400,100</u>	<u>13,566,821</u>	<u>10,400,100</u>	<u>13,566,821</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and therepayment of capital.

Cable News International Limited

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

16 Pension

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

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

The entity is not held liable to the plan for other entities' obligations under the terms and conditions of the multi-employer plan.

The total pension cost to the company in relation to both schemes for the year ended 31 December 2022 amounted to \$2,282,635 (2021: \$2,334,677).

17 Contingent liabilities

The company has entered into a group composite accounting agreement with its bankers. The terms of the agreement permit the bankers, without notice, to draw down funds deposited into the system, and to offset borrowings drawn down from the system by other group members who are also parties to these arrangements. At the statement of financial position date, funds deposited by the company into the system, and potentially at risk to cover liabilities elsewhere in the group, amounted to \$4,243,377 (2021 - \$3,328,000).

18 Ultimate parent undertaking

The company's immediate parent undertaking is Cable News International Inc., a company incorporated in Delaware, USA.

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

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

Cable News International Limited

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

19 Restatement of prior year amounts

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

- reclassification of Administrative Expenses as Cost of Sales
- incorrect recognition and presentation of taxes paid on income earned by expatriate staff.

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

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

	(As stated)	(Increase)/decrease	(As restated)
	Year ended 31 December 2021		Year ended 31 December 2021
	\$ 000	\$ 000	\$ 000
Turnover	62,572	-	62,572
Cost of sales	-	(60,852)	(60,852)
Administrative expenses	(61,590)	60,852	(738)
Operating profit	982	-	982

The second restatement is in respect of incorrect recognition and presentation of taxes paid by the Company to HM Revenue and Customs (HMRC) in respect of income earned by expatriate staff. This was previously recognised as an asset and presented in Other Debtors. Of the total tax balance, the amount equivalent to the amount of tax payable in the employee's home country is recoverable from the fellow group undertakings and has been restated to Amounts owed by group undertakings. The remaining balance represents the tax expense borne by the Company and has been charged to the Income Statement and recharged to a fellow group undertaking.

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

Cable News International Limited

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

19 Restatement of prior year amounts (continued)

	(As stated)	(Increase)/decrease	(As restated)
	Year ended 31 December 2021		Year ended 31 December 2021
	\$ 000	\$ 000	\$ 000
Turnover	62,572	974	63,546
Cost of sales	(60,852)	(974)	(61,826)
Administrative expenses	(738)	-	(738)
Operating profit	982	-	982

The following table discloses the restatement of the Debtors note as at 31 December 2021:

	(As stated)	(Increase)/decrease	(As restated)
	Year ended 31 December 2021		Year ended 31 December 2021
	\$ 000	\$ 000	\$ 000
Note 11: Debtors			
Debtors due after more than one year			
Other debtors	693	-	693
Due within one year			
Amounts owed by group undertakings	23,394	1,608	25,002
Deferred tax assets	1,267	-	1,267
Prepayment and accrued income	59	-	59
Other Debtors	1,787	(1,608)	179
Total	26,507	-	26,507