

Registration number: 07628820

# DNI German Holdings I Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016

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## **DNI German Holdings I Limited**

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## **DNI German Holdings I Limited**

### **Company Information**

<b>Directors</b>	Y Shmulewitz
	J Cooke
	H Wheeley
<b>Registered office</b>	Discovery House Chiswick Park Building 2 566 Chiswick High Road London W4 5YB
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

## **DNI German Holdings I Limited**

### **Directors' Report for the Year Ended 31 December 2016**

The directors present their annual report and audited financial statements for the year ended 31 December 2016.

#### **Principal activities**

The Company holds an investment in a fellow group undertaking which operates to promote a number of television channels in Germany.

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies exemption. A strategic report has not been prepared in accordance with section 414B of the Companies Act 2006 relating to the small companies exemption.

#### **Directors of the Company**

The directors who held office during the year were as follows:

Y Shmulewitz

J Cooke (appointed 12 May 2016)

H Wheeley (appointed 12 May 2016)

D Forbes (resigned 13 May 2016)

#### **Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Discovery Communications, Inc., the ultimate parent undertaking of DNI German Holdings I Limited, has indicated its current intention to continue to support the activities of the Company, including providing the means to enable it to meet its liabilities as they fall due for at least 12 months from the date of the approval of these financial statements. On that basis the directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

#### **Consolidation**

The financial statements contain information about DNI German Holdings I Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent undertaking, Discovery Communications, Inc., a company incorporated in the USA.

#### **Financial risk management**

The directors consider that the Company's key financial instruments are cash and receivable or payable balances to related group companies.

Financial exposures exist to the extent that a change in the underlying base rate of interest will affect the level of income received or paid on any cash balances or overdrafts. The risk is not considered material and thus the Company does not employ the use of hedging instruments.

The central treasury team of Discovery Communications, LLC, an intermediate parent company, has the responsibility of setting risk management policies applied across the global Discovery Group. The Company treasury team implements these policies to enable prompt identification of financial risks so that appropriate actions may be taken. The treasury team has a set of guidelines to manage exchange risk, credit risk and the use of financial instruments to manage these risks.

## **DNI German Holdings I Limited**

### **Directors' Report for the Year Ended 31 December 2016**

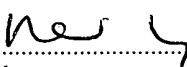
#### **Disclosure of information to the auditors**

Each director has taken 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. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Reappointment of auditors**

PricewaterhouseCoopers LLP have been appointed as auditors of the Company and a resolution to reappoint them was proposed at the Annual General Meeting.

Approved by the Board on 28/9/17 and signed on its behalf by:

  
.....  
H Wheeley  
Director

## **DNI German Holdings I Limited**

### **Statement of Directors' Responsibilities**

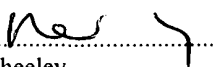
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 28/9/17 and signed on its behalf by:

  
.....  
H Wheeley  
Director

## **DNI German Holdings I Limited**

### **Independent Auditors' Report to the members of DNI German Holdings Limited** **Report on the financial statements**

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#### **Our opinion**

In our opinion, DNI German Holdings I Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
  - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
  - have been prepared in accordance with the requirements of the Companies Act 2006.
- 

#### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the profit and loss account and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

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

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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 addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

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

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

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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##### **Directors' remuneration**

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

## **DNI German Holdings I Limited**

### **Independent Auditors' Report to the members of DNI German Holdings Limited**

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#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

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

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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with 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.

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

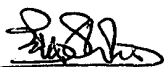
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



Philip Stokes (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP,  
Chartered Accountants and Statutory Auditors  
London

Date: 29 September 2017



## **DNI German Holdings I Limited**

### **Profit and Loss Account for the Year Ended 31 December 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
Administrative expenses		-	(3,114)
Other operating income		<u>1,830,249</u>	<u>-</u>
Operating profit/(loss)	4	1,830,249	(3,114)
Profit/(loss) from partnership	11	7,792,386	(2,740,379)
Loss on impairment of investment	11	-	(1,823,182)
Other interest receivable and similar income	5	22,489	-
Interest payable and similar expenses	6	<u>-</u>	<u>(3,390)</u>
Profit/(loss) before taxation		9,645,124	(4,570,065)
Tax on profit/(loss)	10	<u>(2,928,495)</u>	<u>(1,088,560)</u>
Profit/(loss) for the financial year		<u><u>6,716,629</u></u>	<u><u>(5,658,625)</u></u>

The above results were derived from continuing operations.

**DNI German Holdings I Limited**

**Statement of Comprehensive Income for the Year Ended 31 December 2016**

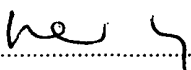
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the financial year	<u>6,716,629</u>	<u>(5,658,625)</u>
Total comprehensive income/(expense) for the year	<u><u>6,716,629</u></u>	<u><u>(5,658,625)</u></u>

# DNI German Holdings I Limited

## Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Investments	11	28,911,087	19,295,519
<b>Current assets</b>			
Trade and other receivables	12	-	14
<b>Creditors: Amounts falling due within one year</b>			
Trade and other payables	13	(5,546,162)	(2,262,721)
Loans and borrowings	14	<u>(863,510)</u>	<u>(1,248,026)</u>
Creditors: Amounts falling due within one year		<u>(6,409,672)</u>	<u>(3,510,747)</u>
Net current liabilities		<u>(6,409,672)</u>	<u>(3,510,733)</u>
Net assets		<u>22,501,415</u>	<u>15,784,786</u>
<b>Capital and reserves</b>			
Called up share capital	15	30,874,850	30,874,850
Profit and loss account		<u>(8,373,435)</u>	<u>(15,090,064)</u>
Total shareholders' funds		<u>22,501,415</u>	<u>15,784,786</u>

Approved by the Board on 28/9/17 and signed on its behalf by:



H Wheelley  
Director

# **DNI German Holdings I Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2016**

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' funds £</b>
At 1 January 2015	30,874,850	(9,431,439)	21,443,411
Loss for the financial year	-	(5,658,625)	(5,658,625)
Total comprehensive expense for the year	-	(5,658,625)	(5,658,625)
At 31 December 2015	30,874,850	(15,090,064)	15,784,786
	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' funds £</b>
At 1 January 2016	30,874,850	(15,090,064)	15,784,786
Profit for the financial year	-	6,716,629	6,716,629
Total comprehensive income for the year	-	6,716,629	6,716,629
At 31 December 2016	30,874,850	(8,373,435)	22,501,415

## **DNI German Holdings I Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **1 General information**

The address of its registered office is:

Discovery House  
Chiswick Park Building 2  
566 Chiswick High Road  
London  
W4 5YB

DNI German Holdings I Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The nature of the Company's operations and its principal activities are set out in the Directors report on pages 2 to 3.

The financial statements are presented in British pounds sterling because that is the currency of the primary economic environment in which the Company operates.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

## **DNI German Holdings I Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **2 Accounting policies (continued)**

##### **Basis of preparation**

The financial statements of DNI German Holdings I Limited have been prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101, 'Reduced Disclosures Framework' (FRS 101). The principal accounting policies adopted are set out below. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, presentation of a cash-flow statement, standards not yet effective, and related party transactions.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

##### **Summary of disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- b) the requirements of IAS 7 Statement of Cash Flows;
- c) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- d) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- e) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transactions is wholly owned by such a member.

##### **Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Discovery Communications, Inc., the ultimate parent undertaking of DNI German Holdings I Limited, has indicated its current intention to continue to support the activities of the Company, including providing the means to enable it to meet its liabilities as they fall due for at least 12 months from the date of the approval of these financial statements. On that basis the directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

##### **Exemption from preparing group financial statements**

Group financial statements of the Company and its subsidiary undertaking have not been prepared. The Company is exempt from the requirement to prepare group financial statements under the provisions of Section 401 of the Companies Act 2006. The financial statements present information about the Company as an individual undertaking and not about its group.

## **DNI German Holdings I Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **2 Accounting policies (continued)**

##### **Foreign currency transactions and balances**

The financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences are recognised in the profit and loss account in the period in which they arise.

##### **Investments**

Investments in partnerships are accounted for at cost, adjusted for the share of profit or loss of the partnership less, where appropriate, provisions for impairment.

##### **Impairment**

Assets are reviewed at each financial year end for any indication of impairment. If such indication exists, the recoverable amount of the asset is reviewed in order to determine the amount of any impairment. The recoverable amount is the higher of its net selling price (fair value less selling costs) and its value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate which reflects the time value of money and the risks specific to the asset. Under IAS 36, the impairment test is performed at a cash-generating unit level, being the "smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets". An impairment loss is recognised immediately as part of operating income.

An impairment loss recognised in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. However the increased amount will not exceed the value that would have been determined had no impairment been recognised in prior years. A reversal of impairment loss is recognised immediately as part of operating income.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

## **DNI German Holdings I Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **2 Accounting policies (continued)**

##### **Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

##### **Dividends**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Dividend income is recognised when the right to receive payments is established.

##### **Financial assets and liabilities**

###### ***Classification***

The classification of financial asset depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Other financial assets are classified as 'loans and receivables'. These include trade and other receivables that have fixed or determinable payments and are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest rate. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss account when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed on initial recognition. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying value of the allowance account are recognised in the profit and loss account.



## DNI German Holdings I Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 2 Accounting policies (continued)

##### *Recognition and measurement*

Financial assets are recognised in the Company's balance sheet when it becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through the profit and loss account) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the profit and loss account.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in the statement of other comprehensive income and accumulated in equity is recognised in the profit and loss account.

Financial liabilities are recognised in the Company's balance sheet when it becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through the profit and loss account) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognised immediately in the profit and loss account.

#### 3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### 4 Operating profit/(loss)

Arrived at after charging/(crediting)

	2016	2015
	£	£
Foreign exchange (gains)/losses	(7,067)	2,195
Impairment reversal	<u>(1,823,182)</u>	<u>-</u>

## DNI German Holdings I Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 5 Other interest receivable and similar income

	2016	2015
	£	£
Interest income on bank deposits	<u>22,489</u>	<u>-</u>

#### 6 Interest payable and similar expenses

	2016	2015
	£	£
Interest on bank overdrafts and borrowings	<u>-</u>	<u>3,390</u>

#### 7 Staff costs

The Company had no employees in 2016 (2015: £nil)

#### 8 Directors' remuneration

The directors were not remunerated in respect of their services to this company.

#### 9 Auditors' remuneration

Fees payable to PricewaterhouseCoopers LLP and their associates for the audit of the Company's financial statements were £10,500 (2015: £3,000). Audit fees are borne by Discovery Corporate Services Limited, a fellow group undertaking, in the current year.

#### 10 Tax on profit/(loss)

Tax charged in the profit and loss account.

	2016	2015
	£	£
<b>Current taxation</b>		
UK corporation tax	1,564,388	1,045,577
Double taxation relief	<u>(1,564,388)</u>	<u>(1,045,577)</u>
	-	-
Foreign tax	2,900,201	1,491,944
Adjustment in respect of prior years (foreign tax)	<u>28,294</u>	<u>(403,384)</u>
Current tax charge	<u>2,928,495</u>	<u>1,088,560</u>

## DNI German Holdings I Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 10 Tax on profit/(loss) (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015: higher than the standard rate of corporation tax in the UK) of 20% (2015: 20.25%).

The differences are reconciled below:

	2016 £	2015 £
Profit/(loss) before taxation	<u>9,645,124</u>	<u>(4,570,065)</u>
Corporation tax at standard rate	1,929,025	(925,283)
Increase/(decrease) in current tax from adjustment for prior periods	28,293	(403,383)
Income not assessable for tax purposes	(364,636)	-
Increase/(decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	-	369,133
Increase/(decrease) from effect of joint-ventures and associates results reported net of tax	-	1,601,725
Increase/(decrease) arising from overseas tax suffered (expensed)	2,900,201	1,491,945
Increase/(decrease) from effects of double taxation relief	<u>(1,564,388)</u>	<u>(1,045,577)</u>
Total tax charge	<u>2,928,495</u>	<u>1,088,560</u>

#### 11 Investments

##### Investment in joint venture

	£
<b>Cost</b>	
At 1 January 2016	21,118,701
Share of partnership profit	<u>7,792,386</u>
At 31 December 2016	<u>28,911,087</u>
<b>Provision</b>	
At 1 January 2016	(1,823,182)
Impairment reversal	<u>1,823,182</u>
At 31 December 2016	<u>-</u>
<b>Carrying amount</b>	
At 31 December 2016	<u>28,911,087</u>
At 31 December 2015	<u>19,295,519</u>

## DNI German Holdings I Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 11 Investments (continued)

The impairment recognised in 2015 of £1,823,182 has been reversed to reflect an increase in the estimated service potential of the investment in Discovery Communications Deutschland GmbH & Co KG following a revised valuation of the investment.

Details of the investment in joint venture which the Company holds 50% or more of the nominal value of any class of share capital are as follows:

Name	Country of registration	Nature of business	Class and proportion of nominal value of issued shares held	
Discovery Communications Deutschland GmbH & Co KG	Germany	TV Broadcaster	Ordinary	98.02%

The registered office for entities in the respective country of registration is as follows:

Country	Registered office
Germany	Sternstr. 5, 2. OG, Munich, 80538

#### 12 Trade and other receivables

	2016 £	2015 £
Other receivables	-	14

#### 13 Trade and other payables

	2016 £	2015 £
Trade payables	128	-
Amounts due to group undertakings	3,856,958	2,174,735
Income tax liability	1,689,076	87,986
	<u>5,546,162</u>	<u>2,262,721</u>

#### 14 Loans and borrowings

	2016 £	2015 £
Bank overdrafts	<u>863,510</u>	<u>1,248,026</u>

The overdraft is part of the Bank Mendes Gans N.V. arrangement detailed in note 16.

## DNI German Holdings I Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 15 Called up share capital

##### Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Authorised ordinary shares of £1 each	<u>30,874,850</u>	<u>30,874,850</u>	<u>30,874,850</u>	<u>30,874,850</u>

#### 16 Contingent liabilities

The Company entered into an arrangement with Bank Mendes Gans N.V. (the "Bank") whereby the cash position of Discovery Communications, Inc. subsidiaries (the "Subsidiaries") were combined, with cleared debit and credit balances being offset for interest calculation purposes.

Each of the Subsidiaries, which at any time have a negative balance, may set-off any amounts due to the Bank with any amounts due by the Bank to each of the Subsidiaries with a positive balance. When it wishes to seek repayment of any negative balances, the Bank shall first seek recourse against the positive balances.

The Company has an overdraft of £863,510 (2015: overdraft £1,248,026) with the Bank at 31 December 2016. The net balance for the Subsidiaries at 31 December 2016 under this arrangement was a positive balance of £75,090,915 (2015: £139,647,303). The combined bank balances of all Subsidiaries are not permitted to be less than nil.

#### 17 Parent and ultimate parent undertaking

The Company's immediate parent is Discovery Communications Europe Ltd a company incorporated in England and Wales.

The ultimate parent undertaking and controlling party is Discovery Communications, Inc. which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Discovery Communications, Inc. consolidated financial statements can be obtained from the corporate website: <http://ir.corporate.discovery.com>.