

# **AMC UK Midco Limited**

## **Annual Report and Financial Statements**

**Registered number 08840735**

**Year Ended 31 December 2021**



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## Directors' Report

The Directors present their report and the financial statements for AMC UK Midco Limited (the "Company") for the year ended 31 December 2021.

### Proposed dividend

The Directors do not recommend the payment of a dividend for the year ended 31 December 2021 (2020: £nil).

### Principal activities

The principal activity of the Company is that of a parent holding. The Company holds an investment in AMC Networks International Zone Holdings Limited (the "Subsidiary").

The principal activities of the Group derive from the broadcast media activities, being the supply of entertainment content to international television markets. The Group operates a portfolio of thematic subscription-based channels. The level of the Company's activity is principally driven by the financing of Group companies.

### Results and business review

The loss for the financial year was £16k (2020: £5k) and the net assets are £162,460k (2020: £158,061k), details of which are given in the attached financial statements.

On 6 April 2021, the Company entered into a funds flow and share subscription agreement with its Subsidiary and AMC UK Topco Limited (the "Parent"). Under this agreement, the Company subscribed for one ordinary share of £1.00 in the capital of the Subsidiary at a premium of \$6,102k (£4,415k). The Company also issued 1 ordinary share of £1.00 to the Parent Company for a total subscription price of \$6,102k (£4,415k). (see note 8).

The Company was also involved in a restructuring of the debt finance of AMC Networks Inc., with effect 31 December 2021, which resulted in the following transactions that impacted the Company:

- A loan amount of £268,248k, due to AMC Networks Central Europe Kft by the Subsidiary, was reassigned for repayment by AMC International Financing Limited, in consideration of the Subsidiary issuing a promissory note to AMC International Financing Limited of £268,248k (promissory note 1).
- A loan amount of £17,970k, due to AMC Networks Central Europe Kft by a group company AMC Networks International Broadcasting Limited ("AMCNIB Limited"), was reassigned for repayment by AMC International Financing Limited, in consideration of AMCNIB Limited issuing a promissory note to AMC International Financing Limited of £17,970k (promissory note 2).
- The promissory notes amounting to £286,218k (being the sum of promissory note 1 and 2) were then issued from AMC International Financing Limited to the Parent and by the Parent to the Company in exchange for one ordinary share of £1.00 issued to the Parent, with the balancing amount going to share premium. The promissory notes were issued further down the group structure by the Company to its Subsidiary.
- The promissory note 1 to the Subsidiary from AMC International Financing Limited was then extinguished following share subscription of £1
- Promissory note 2 of £17,970k was then issued by the Subsidiary to Chello Zone Holdings Limited and then issued further down the group structure to AMCNIB Limited.

### Directors

The directors who held office during the year and to the date of this report were as follows:

R Andrée Wiltens  
J Gallagher  
C Spade-Rettler (appointed on 29 November 2021)  
R Stewart (appointed on 15 February 2021)  
E Carroll (resigned on 28 September 2021)

#### Political and charitable contributions

The Company made no political or charitable contributions during the year (2020: £nil).

#### Disclosure of information to auditor

The Directors confirm that:

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

#### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemption provided by Section 415A of the Companies Act 2006.

#### Going concern

Refer to Going Concern disclosure included on page 10.

#### Auditor

Grant Thornton UK LLP was appointed as auditor for the year ended 31 December 2021.

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28/9/2022 and signed on its behalf.

*Robert Stewart*

**R Stewart**  
Director

33 Broadwick Street  
London  
W1F 0DQ

## **Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on a 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 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 directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMC UK Midco Limited**

### **Opinion**

We have audited the financial statements of AMC UK Midco Limited (the 'company') for the year ended 31st December 2021 which comprise Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

### **Other information**

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

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMC UK Midco Limited** *(continued)*

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matter on which we are required to report under the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of directors for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

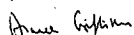
- We enquired of management concerning the Company's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMC UK Midco Limited** *(continued)*

- We enquired with management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We corroborated the results of our enquires to relevant supporting documentation.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006).
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on material manual journals, including those with unusual account combinations and those posted directly to the income statement that increased revenue or that reclassified costs from the income statement to the balance sheet; and
  - challenging assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed noncompliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the entity's operations, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- We did not identify any matters relating to non-compliance with laws and regulations relating to fraud.

### **Use of our report**

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



Aimee Griffiths BA FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
Date: 28/9/2022



AMC UK Midco Limited  
Registered number 08840735  
31 December 2021

## Profit and Loss Account and Other Comprehensive Income

For the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Administrative expenses		(16)	(5)
Impairment of investments	2	-	-
<b>Operating loss</b>		<b>(16)</b>	<b>(5)</b>
<b>Loss before taxation</b>		<b>(16)</b>	<b>(5)</b>
Tax expenses	5	-	-
<b>Loss for the financial year</b>		<b>(16)</b>	<b>(5)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the financial year</b>		<b>(16)</b>	<b>(5)</b>

All results are generated from continuing operations.

## Balance Sheet

As at 31 December 2021

	Notes	£'000	2021 £'000	£'000	2020 £'000
<b>Fixed assets</b>					
Investments	6		162,440		158,024
<b>Current assets</b>					
Cash at bank and in hand		28		50	
<b>Creditors: amounts falling due within one year</b>	7	(8)		(13)	
<b>Net current assets</b>			20		37
<b>Total assets less current liabilities</b>			162,460		158,061
<b>Net assets</b>			162,460		158,061
<b>Capital and reserves</b>					
Called up share capital	8		248,432		248,432
Share premium account			452,128		161,495
Profit and loss account			(538,100)		(251,866)
<b>Shareholders' funds</b>			162,460		158,061

These financial statements were approved by the Board of Directors on 28/9/2022 and were signed on its behalf by:

Robert Stewart

R Stewart  
Director

The accompanying notes on pages 10 to 17 form part of these financial statements.

## Statement of Changes in Equity

	Called up share capital £'000	Profit and loss account £'000	Share premium £'000	Total equity £'000
Balance at 1 January 2021	248,432	(251,866)	161,495	158,061
Total comprehensive loss for the year	-	(16)	-	(16)
	248,432	(251,882)	161,495	158,045
Issuance of share capital	-	(286,218)	290,633	4,415
	248,432	(538,100)	452,128	162,460
<b>Balance at 31 December 2021</b>	<b>248,432</b>	<b>(538,100)</b>	<b>452,128</b>	<b>162,460</b>

	Called up share capital £'000	Profit and loss account £'000	Share premium £'000	Total equity £'000
Balance at 1 January 2020	248,432	(251,861)	156,651	153,222
Total comprehensive loss for the year	-	(5)	-	(5)
	248,432	(251,866)	156,651	153,217
Issuance of share capital	-	-	4,844	4,844
	248,432	(251,866)	161,495	158,061
<b>Balance at 31 December 2020</b>	<b>248,432</b>	<b>(251,866)</b>	<b>161,495</b>	<b>158,061</b>

During the year the following transactions resulted in an increase to share capital and share premium:

On 6 April 2021, the Company entered into a funds flow and share subscription agreement with AMCNI Zone Holdings Limited (the "Subsidiary") and with AMC UK Topco Limited (the "Parent Company"). Under this agreement the Company issued one ordinary share of £1.00 to the Parent Company for a total subscription price of \$6,102k (£4,415k).

The Company was also involved in a restructuring of the debt finance of AMC Networks Inc., with effect 31 December 2021, which resulted in the following transaction that impacted the Company's share capital and share premium:

- Promissory notes amounting to £286,218k (promissory note 1 and 2 £268,248k and £17,970k respectively) were issued by AMC International Financing Limited to AMC UK Topco Limited, by AMC UK Topco Limited to the Company in exchange for the issue of one ordinary share of £1.00 to its parent company, with the balancing amount going to share premium.
- The Promissory notes were then issued down by the Company to its Subsidiary. This side of the transaction was recorded to the Profit and Loss account within equity. The promissory notes net down within equity.

On 24 April 2020, the Company entered into a funds flow and share subscription agreement with AMCNI Zone Holdings Limited (the "Subsidiary") and with AMC UK Topco Limited (the "Parent Company"). Under this agreement the Company subscribed for one ordinary share of £1.00 in the capital of the Subsidiary at a premium of £4,844k. The Company also issued one ordinary share of £1.00 to the Parent Company for a total subscription price of £4,844k.

The accompanying notes on pages 10 to 17 form part of these financial statements.

## Notes to the Financial Statements For the year ended 31 December 2021

### 1 Accounting policies

AMC UK Midco Limited is a private company limited by shares and incorporated in England and Wales. The Company's registered office address is 33 Broadwick Street, London W1F 0DQ and the nature of the Company's operations and its principal activities are set out in the Directors Report on page 1.

#### Basis of preparation

The Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare group accounts as the company is included in the consolidated accounts of its ultimate holding company AMC Networks Inc., a company incorporated in The United States of America. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared on a going concern basis, under the historical cost convention, in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is Pound Sterling. All amounts have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, AMC Networks Inc., a company incorporated in the US, includes the Company in its consolidated financial statements. The consolidated financial statements of AMC Networks Inc. are available to the public and may be obtained from 11 Penn Plaza, New York, 10001, The United States of America.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period; and
- Cash Flow Statement and related notes.

As the consolidated financial statements of AMC Networks Inc., include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosure:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

As a wholly owned subsidiary of AMC Networks Inc., the Company has taken advantage of the exemption under FRS 102 section 33.1A Related Party Disclosures, which enable it to exclude disclosure of transactions with AMC Networks Inc. and its wholly owned subsidiaries.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### 1.1 Going concern

The Company's activities together with the factors likely to affect its future development, performance and position are set out in the Directors' report on page 1.

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons:

The Company has net assets of £162,460k (2020: £158,061k) and net current assets of £20k (2020: £37k). The Directors have prepared forecasts covering a period of 12 months from the date of approval of these financial statements which indicate that the Company will have sufficient funds to be able to meet its obligations and settle its liabilities for a period of at least 12 months from the date of approval of these financial statements.

Consequently, the Directors have therefore prepared the financial statements on a going concern basis

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

#### 1 Accounting policies (continued)

##### 1.2 Foreign currency

The functional currency of the Company is Pound Sterling. Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

##### 1.3 Basic financial instruments

###### *Creditors*

Creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

###### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### 1.4 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which 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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

#### 1 Accounting policies (continued)

##### 1.5 Investments

Investments are stated at cost less any impairment. Investments are reviewed for impairment indicators at the end of each financial year and impairments are made when necessary if circumstances emerge that indicate that the carrying value may not be recoverable. As part of this assessment the Directors consider the future performance of the subsidiary companies. As with any forecasts the Directors are required to make estimates and assumptions in preparation of these forecasts.

##### 1.6 Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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 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.

The following sets out the key assumptions concerning the future and key sources of estimation and uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### *Impairment testing*

During the year management conducted an impairment review of the Company's investment held in AMC Networks International Zone Holdings Limited. The recoverable amount of the Company's investment in AMC Networks International Zone Holdings Limited has been calculated with reference to its value in use. The key assumptions of this calculation are the period over which management has projected cash-flows, growth rate and discount rate.

The review indicated that there's no impairment in the value of investment during the year (2020: £nil). More details of the impairment testing are included within "Fixed asset investments" in note 6.

#### 2 Expenses and auditor's remuneration

*Included in loss are the following:*

	2021 £'000	2020 £'000
Impairment of investments (see Note 6)	-	-

Auditor's remuneration for the audit of these financial statements is £7k (2020: £4k).

#### 3 Staff numbers and costs

No staff are employed by the Company, therefore no costs have been incurred by the company during the year (2020: £nil). The Directors' are employed by other group companies.

#### 4 Directors' remuneration

AMC UK Midco Limited is a holding company within the UK Group. The directors have spent negligible time managing this entity, and so no directors' remuneration has been allocated to the Company, on the grounds no material services have been provided.

Aside from the Company directors there are no other key management personnel involved in the day-to-day decision making of the Company during the year ended 31 December 2021 or in the prior year ended 31 December 2020.

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

#### 5 Taxation

##### Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2021 £'000	2020 £'000
<i>Current tax</i>		
Current tax on loss for the year	-	-
Total current tax charge	-	-
<i>Deferred tax</i>		
Change in tax rate	-	-
Total deferred tax	-	-
<b>Total tax charge</b>	<b>-</b>	<b>-</b>

The tax charge for the year is the same as the standard rate of corporation tax in the UK at 19.00% (2020: 19.00%). The differences are explained below:

##### Reconciliation of effective tax rate

	2021 £'000	2020 £'000
<b>Loss on ordinary activities before tax</b>	<b>(16)</b>	<b>(5)</b>
Current tax at 19.00% (2020: 19.00%)	(3)	(1)
<i>Effects of:</i>		
Group relief claimed for £nil compensation	3	1
Expenses not deductible for tax purposes	-	-
	<b>-</b>	<b>-</b>

Deferred tax has not been provided on cumulative tax losses of £59k (2020: £59k) as the company is loss making.

A reduction to the UK corporation tax rate to 17%, effective from 1 April 2020, was substantively enacted as part of the Finance (No. 2) Act 2016 on 6 September 2016. In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporation tax rate from 19% to 17%. On 11 March 2020, the Chancellor of the Exchequer announced that legislation would be passed to retain the current 19% rate in April 2020.

Finance Bill 2021 had its third reading on 24 May 2021 and 25% is now considered substantively enacted from 1 April 2023. Deferred taxes in respect of timing differences which are expected to reverse on or after 1 April 2023 have been remeasured at 25% accordingly.

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

#### 6 Fixed asset investments

	Shares in group undertaking £'000
<b>Cost</b>	
Balance at 1 January 2021	409,249
*Additions	4,415
	<hr/>
Balance at 31 December 2021	413,664
	<hr/>
<b>Provisions</b>	
Balance at 1 January 2021	251,224
Impairment during the year	-
	<hr/>
Balance at 31 December 2021	251,224
	<hr/>
<b>Net book value</b>	
At 1 January 2021	158,025
	<hr/>
At 31 December 2021	162,440
	<hr/>

\* On 6 April 2021, the Company entered into a funds flow and share subscription agreement with its subsidiary, AMCNI Zone Holdings Limited. Under this agreement the Company subscribed for one ordinary share of £1.00 in the capital of AMCNI Zone Holdings Limited at a premium of \$6,102k (£4,415k). This led to investment additions of £4,415k.

#### Impairment testing

During the year management conducted an impairment review of the Company's investment held in AMC Networks International Zone Holdings Limited. The review indicated that there's no impairment in the value of the investment during the year. Therefore, no impairment loss was recognised in ordinary activities within the profit and loss account for the year ended 31 December 2021 (2020: £nil).

The recoverable amount of the Company's investment in AMC Networks International Zone Holdings Limited's has been calculated with reference to its value in use. The Company prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next year and the management forecasts for the subsequent four years. These calculations reflect management's experience and future expectations of the markets in which the investees operate. The key assumptions of this calculation are shown below:

Period over which management has projected cash-flows: 5 years

Growth rate used to extrapolate cash flows: 1.0%

Discount Rate 8.5%

The growth rate assumption was based on business performance and the percentage growth of the main markets in which the subsidiaries of AMC Networks International Zone Holding's conduct their business, EMEA. The discount rate reflects specific risks relating to the market in which the group operates.



## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

#### 6 Fixed asset investments (continued)

The company has the following investments in subsidiaries:

Name of company subsidiaries	Registered Address	Equity shareholdings %	Ownership
CBS AMC Networks UK Channels Partnership	33 Broadwick Street, London, W1F 0DQ, UK	51%	Indirect
AMC Networks International Enterprises Limited	33 Broadwick Street, London, W1F 0DQ, UK	100%	Indirect
AMC Networks International Broadcasting Limited	33 Broadwick Street, London, W1F 0DQ, UK	100%	Indirect
Zone Vision (China) Limited	33 Broadwick Street, London, W1F 0DQ, UK	95%	Indirect
Zonemedia Management Limited	33 Broadwick Street, London, W1F 0DQ, UK	100%	Indirect
Reality TV USA Limited	33 Broadwick Street, London, W1F 0DQ, UK	80%	Indirect
Romantica (East) Limited	33 Broadwick Street, London, W1F 0DQ, UK	100%	Indirect
Encore International LLC	8900 Liberty Circle, Englewood, CO 80112, USA	100%	Indirect
Asia Television Advertising LLC	c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA	100%	Indirect
CBS AMC Networks EMEA Channels Partnership	33 Broadwick Street, London, W1F 0DQ, UK	70%	Indirect
Outdoor TV Limited	33 Broadwick Street, London, W1F 0DQ, UK	100%	Indirect
AMC Networks International Channel Limited	33 Broadwick Street, London, W1F 0DQ, UK	100%	Indirect
AMC International Productions BV (formerly AMC DMC Holdings BV)	Suite 1.5, Herengracht 168, 1016 BP Amsterdam, The Netherlands	100%	Indirect
KW Acquisition GmbH	Parkstrabe 1, 65812 Bad Soden am Taunus, Germany	100%	Indirect
Kinowelt Television GmbH	Parkstrabe 1, 65812 Bad Soden am Taunus, Germany	100%	Indirect
Plator Holdings B.V.	Suite 1.5, Herengracht 168, 1016 BP Amsterdam, The Netherlands	100%	Indirect
Multicanal (Spain) Holdings S.L.U.	Calle Saturno 1, 28224 Pozuelo de Alarcon, Madrid	100%	Indirect
Multicanal Iberia S.L.U.	Calle Saturno 1, 28224 Pozuelo de Alarcon, Madrid	100%	Indirect
The History Channel Iberia S.L.	Calle Saturno 1, 28224 Pozuelo de Alarcon, Madrid	50%	Indirect
AMC Channel Poland Limited	33 Broadwick Street, London, W1F 0DQ, UK	100%	Indirect
AMC Networks International Zone Holdings Ltd	33 Broadwick Street, London, W1F 0DQ, UK	100%	Direct
Sundance Channel (UK) Limited	33 Broadwick Street, London, W1F 0DQ, UK	100%	Indirect
Chello Zone Holdings Limited	33 Broadwick Street, London, W1F 0DQ, UK	100%	Indirect
AMC Networks International Kids Limited	33 Broadwick Street, London, W1F 0DQ, UK	100%	Indirect
JimJam Television Limited	33 Broadwick Street, London, W1F 0DQ, UK	100%	Indirect
Polsat JimJam Limited	33 Broadwick Street, London, W1F 0DQ, UK	50%	Indirect
AMC Networks (UK) Limited	33 Broadwick Street, London, W1F 0DQ, UK	100%	Indirect
AMC Networks International Group Limited	33 Broadwick Street, London, W1F 0DQ, UK	100%	Indirect
AMC Networks Zone Poland Sp.z.o.o	Chocimska 6, 00-791 Warszawa	100%	Indirect
Dreamia-Servicos de Televisao SA	Rua Ator Antonio Silva, 9, 1600-404 Campo Grande, Lumiar, Lisbon, Portugal	50%	Indirect
Dreamia Servicios de Televisión S.L.	Calle Saturno 1, 28224 Pozuelo de Alarcon, Madrid	50%	Indirect

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

#### 7 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Amounts owed to group undertakings	-	8
Accruals and deferred income	8	5
	<u>8</u>	<u>13</u>

#### 8 Share capital

	2021 £'000	2020 £'000
<i>Allotted, called up and fully paid</i>		
248,431,662 ordinary shares (2020: 248,431,660) of £1 each	<u>248,432</u>	<u>248,432</u>

#### Share premium account

The share premium account has increased by £290,633k during the year (2020: £4,844k). The following transactions resulted in the increase to share premium:

On 6 April 2021, the Company entered into a funds flow and share subscription agreement with its Parent, AMC UK Topco Limited. Under this agreement, the Company issued one ordinary share of £1.00 to the Parent Company for a total subscription price of \$6,102k (£4,415k).

The Company was also involved in a restructuring of the debt finance of AMC Networks Inc., with effect 31 December 2021. Promissory notes amounting to £286,218k were issued by AMC International Financing Limited to AMC UK Topco Limited, by AMC UK Topco Limited to the Company in exchange for one ordinary share of £1.00 for a total subscription price of £286,218k.

The difference between the par value of the share issued and consideration received has been recognised as share premium.

#### Profit and loss account

Includes all current and prior periods retained profits and losses.

As part of the debt finance of AMC Networks Inc with effect 31 December 2021, the promissory notes totalling £286,218k, which were issued by the Company to its subsidiary were recorded directly to Profit and Loss account within equity. The other side of this transaction was an increase to share premium as discussed above.

#### 9 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of AMC UK Topco Limited, a company registered in England and Wales. The ultimate parent undertaking at 31 December 2020 was AMC Networks Inc., a company incorporated in the US. The consolidated accounts of this group can be obtained from 11 Penn Plaza, New York, 10001, The United States of America.

#### 10 Subsequent events

The Company has evaluated events subsequent to the balance sheet date and prior to issuance of the financial statements for the year ended 31 December 2021 and determined that there have not been any events that have occurred that would require adjustment to the financial statements.

However, on 31 May 2022, the Company entered into a funds flow and share subscription agreement with its Subsidiary, AMC Networks International Zone Holdings Limited and with its parent, AMC UK Topco Limited. Under this agreement the Company

*AMC UK Midco Limited*  
*Registered number 08840735*  
*31 December 2021*

**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2021**

subscribed for one ordinary share of £1.00 in the capital of AMC Networks International Zone Holdings Limited at a premium of £4,135k. The Company also issued 1 ordinary share of £1.00 to AMC UK Topco Limited for a total subscription price of £4,135k.

On the 26 July 2022, the Company has undertaken a capital reduction to convert its share capital and share premium balance into distributable reserves. As a result of the capital reduction the Company now has positive distributable reserves.