

Registered number: 06077708

AMC CHANNEL POLAND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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AMC CHANNEL POLAND LIMITED

COMPANY INFORMATION

Directors

K W Dickie
R M Stewart
R A Wiltens

Registered number

06077708

Registered office

33 Broadwick Street
Soho
London
W1F 0DQ

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
30 Finsbury Square
London
EC2A 1AG

AMC CHANNEL POLAND LIMITED

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AMC CHANNEL POLAND LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their Strategic Report on AMC Channel Poland Limited ("the Company") for the year ended 31 December 2020.

Review of the business

The company operates the AMC HD Channel. AMC HD is primarily a movie driven subscription and advertising supported linear television channel which is transmitted with the capability to be received in both standard definition and high definition formats on an encrypted basis with Polish language voice over narration (and/or subtitles) and distributed to subscribers of DTH, cable, ADSL, MMDS and SMATV television systems in Poland.

Results and business review

The results of the company for the year ended 31 December 2020, show a loss before tax of \$817,000 (2019: \$1,205,000) and net assets of \$73,000 (2019: *net liabilities of \$7,305,000*).

Principal risks and uncertainties

The Company's success is dependent on the economic conditions of Poland, as the channel is broadcast on non-terrestrial platforms where viewers pay a subscription fee for additional channels.

The directors have considered the risk and implications of Brexit on the company, however, do not consider it a key risk. The entity operates in Poland and only the head office function sits in the UK.

The directors have reviewed the risk and implications of the Covid-19 virus outbreak in 2020. They have come to a conclusion that overall it bares low risk to the Company due to the majority of the Company's revenue deriving from affiliate subscriptions, which has seen growth during this period. The advertising revenue market has not seen a significant impact to the Company to consider it a material risk. The directors have considered the impact of Covid-19 on the Company's ability to continue as a going concern. Please refer to note 2.3 of these financial statements for details.

Future developments

The key strategy is to increase distribution of the channel in order to increase viewership and therefore broadcasting subscription and advertising revenues.

AMC CHANNEL POLAND LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Key Performance Indicators ('KPIs')

The directors monitor the progress of the Company by reference to the following KPIs -

	2020	<i>2019</i>	
	\$000	<i>\$000</i>	
Turnover	3,604	<i>3,498</i>	Total turnover
Gross profit	1,194	<i>925</i>	Turnover less Cost of Sales
Gross profit %	33%	<i>26%</i>	Gross Profit as a % Turnover
Operating profit	(683)	<i>(786)</i>	Profit before interest and taxes
Return on capital employed	(9%)	<i>(9%)</i>	Operating profit for the year in relation to Shareholders' funds at year end

This report was approved by the board on 24/9/2021

and signed on its behalf.

Robert Stewart

R M Stewart
Director

AMC CHANNEL POLAND LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Results and dividends

The loss for the year, after taxation, amounted to \$1,179,000 (2019 - loss \$1,460,000).

The directors did not recommend the payment of dividend in the year (2019: \$Nil).

Directors

The directors who served during the year were:

K W Dickie
R M Stewart
R A Wiltens

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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.

Political and charitable contributions

The Company made no political or charitable contributions during the year (2019: \$Nil).

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

AMC CHANNEL POLAND LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

Auditor

Grant Thornton UK LLP was appointed as auditor for the year ended 31 December 2020.

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 24/9/2021 and signed on its behalf.

Robert Stewart

R M Stewart
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMC CHANNEL POLAND LIMITED

Opinion

We have audited the financial statements of AMC Channel Poland Limited (the 'Company') for the year ended 31 December 2020, which comprise the 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 2020 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMC CHANNEL POLAND LIMITED
(CONTINUED)**

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMC CHANNEL POLAND LIMITED (CONTINUED)

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 Strategic report or 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. This description forms part of our Auditor's report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMC CHANNEL POLAND LIMITED (CONTINUED)

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.
- We enquired of 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.
- 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;
 - 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. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMC CHANNEL POLAND LIMITED
(CONTINUED)**

- 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.

Grant Thornton UK LLP

Aimee Griffiths BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 24/9/2021

AMC CHANNEL POLAND LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$000	<i>Restated</i> 2019 \$000
Turnover	4	3,604	3,498
Cost of sales		(2,410)	(2,573)
Gross profit		<u>1,194</u>	<u>925</u>
Administrative expenses		(1,876)	(1,711)
Operating loss		<u>(682)</u>	<u>(786)</u>
Interest payable and expenses	9	(135)	(419)
Loss before tax		<u>(817)</u>	<u>(1,205)</u>
Tax on loss	10	(362)	(255)
Loss for the financial year		<u><u>(1,179)</u></u>	<u><u>(1,460)</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

All results are generated from continuing operations.

The notes on pages 13 to 25 form part of these financial statements.

AMC CHANNEL POLAND LIMITED
REGISTERED NUMBER:06077708

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$000	Restated 2019 \$000
Current assets			
Programme inventory (Including \$1.5m long term assets, 2019: \$1.4m)	11	3,040	2,827
Debtors: amounts falling due within one year	12	937	1,003
Cash at bank and in hand	13	1,013	795
		<u>4,990</u>	<u>4,625</u>
Creditors: amounts falling due within one year	14	(4,582)	(11,664)
Net current assets/(liabilities)		<u>408</u>	(7,039)
Total assets less current liabilities		<u>408</u>	(7,039)
Creditors: amounts falling due after more than one year	15	(90)	(28)
Provisions for liabilities			
Other provisions	17	(245)	(238)
		<u>(245)</u>	(238)
Net assets/(liabilities)		<u><u>73</u></u>	<u><u>(7,305)</u></u>
Capital and reserves			
Share premium account	19	8,557	-
Profit and loss account	19	(8,484)	(7,305)
		<u><u>73</u></u>	<u><u>(7,305)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24/9/2021

Robert Stewart

R M Stewart
 Director

The notes on pages 13 to 25 form part of these financial statements.

AMC CHANNEL POLAND LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2020	-	-	(7,305)	(7,305)
Comprehensive income for the year				
Loss for the year	-	-	(1,179)	(1,179)
Total comprehensive income for the year	-	-	(1,179)	(1,179)
Shares issued during the year	-	8,557	-	8,557
At 31 December 2020	-	8,557	(8,484)	73

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2019	-	(5,845)	(5,845)
Comprehensive income for the year			
Restated loss for the year	-	(1,460)	(1,460)
Total comprehensive income for the year	-	(1,460)	(1,460)
At 31 December 2019	-	(7,305)	(7,305)

The notes on pages 13 to 25 form part of these financial statements.

AMC CHANNEL POLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

AMC Channel Poland Limited is a private company limited by shares & incorporated in England and Wales. Its registered head office is located at 33 Broadwick Street, Soho, London, W1F 0DQ.

The principal activity of AMC Channel Poland Limited is Television programming and broadcasting activities.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of AMC Networks Inc. as at 31 December 2020 and these financial statements may be obtained from 11 Penn Plaza, New York, 10001, The United States of America.

AMC CHANNEL POLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic 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 directors considered that the most recent economic forecasts arising from the Covid-19 pandemic has not had a significant impact on the Company's business.

The Directors have prepared forecasts covering a period of 12 months from the date of approval of these financial statements. In preparing those forecasts they have considered the impacts of COVID-19. Specifically, they have considered a severe but plausible downside scenario in which, revenues for the forecast period reduce by 20% compared to pre COVID-19 period. The forecast also assumes a slowdown in the collection of receivables and that the incidences of receivables not being collected increases. The forecasts do not include any cost saving measures.

AMC Networks Inc has indicated its intention to continue to make available such funds as are needed by the company. The Directors have also received confirmation from the ultimate parent company that the amounts due to fellow group companies will not be recalled during the forecast period.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

AMC CHANNEL POLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.4 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Turnover

Turnover represents the amounts (excluding the value added tax) derived from the provision of services to customers.

Turnover is recognised on transmission.

2.6 Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions and net foreign exchange losses that are recognised in the profit and loss account.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

AMC CHANNEL POLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.7 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Programme inventory and amortisation

Programme inventory comprises fees paid and payable for film licenses, film distribution rights and broadcasting rights for television programmes. Programme inventory is stated at cost less any provision for impairment, less accumulated amortisation.

Amortisation is provided to write off the cost of the programme inventory over the period of the licence.

The Company periodically reviews the programming usefulness of its licensed and owned original programme rights based on a series of factors, ratings, type and quality of programme material, standard and practices and fitness for exhibition through various forms of distribution. If it is determined that film or programme rights have limited, or no, future programming usefulness a write-off of the unamortised cost is included in Cost of sales.

AMC CHANNEL POLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

3. Judgements 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 judgements- (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.

AMC CHANNEL POLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Judgements in applying accounting policies (continued)

Music Rights provision

Provisions are recognised in the period when it becomes probable there will be a future outflow of funds resulting from past operations or events which can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to change.

For the year ended 31 December 2020 The Performance Music Rights provision was estimated using professional judgement based on the historic data and industry knowledge.

The Music Rights provision for the year 31 December 2020 was estimated as \$245,476 (2019: \$238,000).

4. Turnover

	2020	2019
	\$000	\$000
By activity		
Broadcasting	3,057	3,095
Television Advertising	547	403
	3,604	3,498
	2020	2019
	\$000	\$000
By geographical market		
Poland	3,604	3,498

AMC CHANNEL POLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Expenses and auditor's remuneration

	2020	2019
	\$000	\$000
Included in loss are the following:		
Amortisation of programme licenses	1,602	1,687
Management charge	717	-
Auditor's remuneration:		
Audit of these financial statements	23	15
Other services	1	1
	24	16

6. Directors' remuneration

	2020	2019
	\$000	\$000
Directors' emoluments	64	49
Amounts receivable under long-term incentive schemes	9	16
Company contributions to defined contribution pension schemes	2	2
	75	67

The directors remuneration for the UK Group has been paid by Zonemedia Management Limited.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was \$29,082 (2019 - \$30,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$900 (2019 - \$1,000).

The number of board members in respect of whose qualifying services shares were received or receivable under long term incentive schemes was 3 (2019: 3).

7. Key management personnel compensation

Total compensation of key management personnel (including the directors) in the year amounted to \$114,349 (2019: \$135,565).

The key management personnel compensation for the UK Group has been paid by Zonemedia Management Limited.

AMC CHANNEL POLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Staff numbers and costs

No staff are employed by the Company, therefore no costs have been incurred by the Company (2019: \$Nil).

9. Interest payable and similar expenses

	2020 \$000	2019 \$000
Interest payable to group undertakings	67	246
Net foreign exchange loss	68	173
	<u>135</u>	<u>419</u>

10. Taxation

	2020 \$000	2019 \$000
Corporation tax		
Foreign tax suffered	362	255
	<u>362</u>	<u>255</u>
Total current tax	<u>362</u>	<u>255</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>362</u>	<u>255</u>

AMC CHANNEL POLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 \$000	2019 \$000
Loss on ordinary activities before tax	(817)	(1,205)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(155)	(229)
Effects of:		
Effect of tax rates in foreign jurisdictions	292	225
Group relief for no payment	221	259
Expenses not deductible	4	-
Total tax charge for the year	362	255

Factors that may affect future tax charges

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. These announcements do not constitute substantive enactment.

11. Programme inventory

	2020 \$000	2019 \$000
Programme inventory	3,040	2,827

AMC CHANNEL POLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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12. Debtors

	2020	2019
	\$000	\$000
Trade debtors	550	499
Amounts owed by group undertakings	3	25
Other tax and social security	30	22
Prepayments and accrued income	354	455
Deferred taxation	-	2
	937	1,003

13. Cash and cash equivalents

	2020	2019
	\$000	\$000
Cash at bank and in hand	1,013	795

14. Creditors: Amounts falling due within one year

	2020	<i>Restated</i> 2019
	\$000	\$000
Trade creditors	325	1
Amounts owed to group undertakings	3,118	10,700
Accruals and deferred income	1,139	963
	4,582	11,664

On 7 December 2016, the Company entered into a loan agreement with AMC Networks International Broadcasting Limited. The loan of \$3,000,000 was repayable on demand. Interest shall accrue on the outstanding principle amount at a rate per annum of 7.00%. Interest for the loan will be reviewed on an annual basis, or at any time, in accordance with AMC Networks Inc. intercompany interest rate policy and based on a 360-day year and actual days elapsed. This loan was cleared on 29th February 2020 via equity exchange. The total outstanding balance at 31 December 2020 was \$Nil (2019: \$3,517,225).

15. Creditors: Amounts falling due after more than one year

	2020	2019
	\$000	\$000
Accruals and deferred income	90	28

AMC CHANNEL POLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Deferred taxation.

	2020 \$000
At beginning of year	2
Charged to profit or loss	(2)
At end of year	-

The deferred tax asset is made up as follows:

	2020 \$000	2019 \$000
Accelerated capital allowances	-	2
	-	2

17. Provisions

	Music rights provision \$000
At 1 January 2020	238
Charged to profit or loss	7
At 31 December 2020	245

AMC CHANNEL POLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Share capital

	2020	2019
	\$	\$
Allotted, called up and fully paid		
102 (2019 - 100) Ordinary shares of £1.00 each	200	198
	<u>200</u>	<u>198</u>

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

On 29 February 2020 one ordinary share of \$1.00 nominal value was issued for \$3,557,626. \$3,557,625 has been allocated to the share premium account.

On 29 December 2020 one ordinary share of \$1.00 nominal value was issued for \$5,000,000. \$4,999,999 has been allocated to the share premium account.

19. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current & prior periods retained profits & losses.

20. Related party transactions

Other related party transactions

	2020	2019
	\$000	\$000
Entities under common control	-	246
	<u>-</u>	<u>246</u>

	Receivables	Receivables	Payables	Payables
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Entities under common control	3	25	3,188	10,700
	<u>3</u>	<u>25</u>	<u>3,188</u>	<u>10,700</u>

AMC CHANNEL POLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. Post balance sheet events

There are no post balance sheet events affecting the Company.

22. Prior year adjustment

A management charge payable to Zonemedia Management Limited for \$1,334,539 relating to the year ended 31 December 2019 was not recorded in the prior year accounts.

As a result the comparative period has been restated as follows:

	<i>As previously stated \$000</i>	<i>Adjustment \$000</i>	<i>As restated \$000</i>
Administrative expenses	(376)	(1,335)	(1,711)
Operating profit/(loss)	549	(1,335)	(786)
Profit/(Loss) before tax	130	(1,335)	(1,205)
Loss for the financial year	(125)	(1,335)	(1,460)
Amounts owed to group undertakings	(9,365)	(1,335)	(10,700)
Net current liabilities	(5,704)	(1,335)	(7,039)
Total assets less current liabilities	(5,704)	(1,335)	(7,039)
Net liabilities	(5,970)	(1,335)	(7,305)

23. Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of AMC Networks International Broadcasting 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.