

Registration number: 01574907

CNBC (UK) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



CNBC (UK) Limited

Contents

Company Information	1
Strategic Report	2 to 3
Directors' Report	4 to 5
Statement of Directors' Responsibilities	6
Independent Auditor's Report	7 to 9
Profit and Loss Account	10
Statement of Other Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14 to 28

CNBC (UK) Limited

Company Information

Directors C A Karamoy-Daw
J Casey

Registered office 10 Fleet Place
London
EC4M 7QS
WC2H 8NU

Auditors Deloitte LLP
Statutory Auditor
London, UK

CNBC (UK) Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

In preparing this strategic report, the directors have complied with Section 414C of the Companies Act 2006.

Principal activity

The principal activity of the company is to produce business and financial television news programming for distribution as a cable, satellite or digital delivered channel.

Results

The results of the company show a pre-tax loss of £8,979,000 (2018: £7,565,000) for the year and turnover of £25,135,000 (2018: £23,693,000).

The loss for the year, after taxation, amounted to £9,013,000 (2018: £7,590,000).

The company has net assets of £10,304,000 (2018: net assets of £5,435,000) out of which £4,162,000 is due from (2018: £1,857,000 due to) fellow group companies.

Enhanced business review

The increase in turnover during 2019 was largely attributed to the strategies implemented by management over the last few years and resulted in the growth of digital revenue driven by both larger customers as well as new customers from emerging markets.

During 2019 the company received a capital investment from its immediate parent NBC (UK) Holdings resulting in the issue of 13,600,000 ordinary share of £1 each.

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

	Unit	2019	2018
Operating margin	%	(36)	(32)
Gross margin	%	23	21

The operating margin is the ratio of operating profit before exceptional items to sales expressed as a percentage.

The gross margin is the ratio of total turnover less cost of goods sold, divided by total turnover, expressed as a percentage.

CNBC (UK) Limited

Strategic Report for the Year Ended 31 December 2019

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to the risks affecting the group companies which it provides services to. These are the competitive pressures within the entertainment industry, a challenging macroeconomic environment, rapid technological change and increased risk of piracy.

Market Risks

The company operates in an intensely competitive, consumer-driven and rapidly changing environment and competes with a growing number of companies that provide a broad range of communications products and services and entertainment, news and information products and services to consumers. Technological changes are further intensifying and complicating the competitive landscape for the company by challenging existing business models and affecting consumer behaviour.

Financial Risks

The company is fully supported within the group, which manages a mixture of debt and equity funding in order to minimise risk exposure and enable optimal business performance. Consequently, the company does not hold external debt and is resilient to risks arising from movements in interest rates. The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. CNBC UK Limited incurs costs in GBP, with the majority of revenue in USD. Management monitors the fluctuation of the FX rate which may have an impact on profitability. The company enters into derivative financial instruments, from time to time, in order to mitigate the risks of changes in foreign currency exchange rates.

Policies have been implemented with the company to minimise liquidity risk, through maintenance of an internal reporting structure based on cash targets. Additionally, appropriate credit checks are carried out for all potential customers before contracts are entered into, with status monitoring taking place throughout.

Risks associated with the coronavirus outbreak

On March 11, 2020, the World Health Organization declared the recent novel coronavirus ("COVID-19") outbreak a pandemic. In response to the outbreak many countries have implemented measures to combat the outbreak. The COVID-19 outbreak has caused a decrease in advertising income in the first half of 2020. We are currently unable to accurately predict the duration of this business disruption. The ultimate financial impact this disruption and COVID-19 will have on the Company is difficult to predict at this time, but the impact could have a material adverse effect on its results of operations over the near to medium term. However, we continue to monitor the situation closely including the impacts of COVID-19 on our results.

Future developments

The extent to which COVID-19 will impact the Company's results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the virus and the actions to contain or treat its impact.

Approved by the Board on 24 June 2020 and signed on its behalf by:

DocuSigned by:



.....35388D7CD18A45D.....

C A Karamoy-Daw
Director

CNBC (UK) Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their annual report on the affairs of the company, together with the audited financial statements and auditor's report for the year ended 31 December 2019.

Future developments

For future developments, please refer to the Strategic Report on page 3.

Important non adjusting events after the financial period

As noted in the strategic report, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. While this could have a material adverse affect on the Company's results, we consider this to be a non-adjusting subsequent event and, as such, there was no impact on the financial information presented as at and for the year ended 31 December 2019.

Financial risk management objectives and policies

For financial risk management objectives and policies please refer to the Strategic Report on page 3.

Dividends

The directors did not declare payment of a final dividend (2018: £nil).

The directors did not declare an interim dividend for the year (2018: £nil).

Directors of the company

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

K C Sullivan (resigned 16 June 2020)

E McCarthy (resigned 26 September 2019)

The following directors were appointed after the year end:

C A Karamoy-Daw (appointed 25 February 2020)

J Casey (appointed 16 June 2020)

Directors' indemnities

The company has made no qualifying third party indemnity provisions for the benefit of its directors during the year.

Going concern

The directors have reviewed the current financial performance and position of the company and the uncertainties surrounding the impact of COVID-19, including a stress test assessment of the cash requirements of the business under a prolonged period of lockdown with limited revenue. As a result, the directors believe that the business is likely to be reliant on group support in order to meet its current and long-term liquidity and capital requirements. Accordingly, the company is part of the international cash pool facility and has received confirmation of support from Comcast Corporation for a period of at least 12 months from the date of signing of these financial statements.

As a result, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, with net assets of £10,304,000, and hence continue to adopt the going concern basis of accounting in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in note 2 to the financial statements.

CNBC (UK) Limited

Directors' Report for the Year Ended 31 December 2019

Disclosure of information to the auditors

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

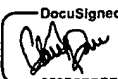
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Reappointment of auditors

Deloitte LLP has indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting. This information is given and should be interpreted in accordance with the provisions of Section 487 of the Company's Act 2006.

Approved by the Board on 24 June 2020 and signed on its behalf by:

DocuSigned by:

.....353850750218A450.....
C A Karamoy-Daw
Director

CNBC (UK) 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have 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.

CNBC (UK) Limited

Independent Auditor's Report to the Members of CNBC (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of CNBC (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 22.

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

Basis for opinion

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

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

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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.

CNBC (UK) Limited

Independent Auditor's Report to the Members of CNBC (UK) Limited

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 respect of these matters.

Responsibilities of 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

CNBC (UK) Limited

Independent Auditor's Report to the Members of CNBC (UK) Limited

Matters on which we are required to report by exception

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

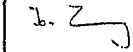
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the 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.

DocuSigned by:



36BB118548C34B7.....

Jon Young FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

London, UK

24 June 2020

CNBC (UK) Limited**Profit and Loss Account for the Year Ended 31 December 2019**

	Note	2019 £ 000	2018 £ 000
Turnover	3	25,135	23,693
Cost of sales		<u>(19,286)</u>	<u>(18,741)</u>
Gross profit		5,849	4,952
Administrative expenses		<u>(14,784)</u>	<u>(12,531)</u>
Operating loss	4	(8,935)	(7,579)
Interest receivable and similar income	5	66	54
Interest payable and similar expenses	6	<u>(110)</u>	<u>(40)</u>
Loss before taxation		(8,979)	(7,565)
Tax on loss	10	<u>(34)</u>	<u>(25)</u>
Loss for the financial year	17	<u><u>(9,013)</u></u>	<u><u>(7,590)</u></u>

The company has no recognised gains or losses for the year other than the results above.

The above results were derived from continuing operations.

The notes on pages 14 to 28 form an integral part of these financial statements.

CNBC (UK) Limited

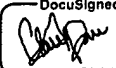
Statement of Other Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Loss for the year		<u>(9,013)</u>	<u>(7,590)</u>
Total comprehensive loss for the year		<u><u>(9,013)</u></u>	<u><u>(7,590)</u></u>

CNBC (UK) Limited
(Registration number: 01574907)
Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	11	3,538	3,282
Current assets			
Debtors	13	15,613	12,502
Creditors: Amounts falling due within one year	14	<u>(8,731)</u>	<u>(10,349)</u>
Net current assets		<u>6,882</u>	<u>2,153</u>
Total assets less current liabilities		10,420	5,435
Provisions for liabilities	15	<u>(116)</u>	<u>-</u>
Net assets		<u><u>10,304</u></u>	<u><u>5,435</u></u>
Capital and reserves			
Called up share capital	16	74,868	61,268
Other reserves	17	652	370
Profit and loss account	17	<u>(65,216)</u>	<u>(56,203)</u>
Shareholder's funds		<u><u>10,304</u></u>	<u><u>5,435</u></u>

The financial statements have been approved and authorised for issue by the Board on 24 June 2020 and signed on its behalf by:

DocuSigned by:

 263B6D7CD16A460.....

C A Karamoy-Daw
 Director

CNBC (UK) Limited**Statement of Changes in Equity for the Year Ended 31 December 2019**

	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	61,268	159	(48,613)	12,814
Loss for the year	-	-	(7,590)	(7,590)
Total comprehensive result	-	-	(7,590)	(7,590)
Share based payment transactions	-	211	-	211
At 31 December 2018	61,268	370	(56,203)	5,435

	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	61,268	370	(56,203)	5,435
Loss for the year	-	-	(9,013)	(9,013)
Total comprehensive result	-	-	(9,013)	(9,013)
New share capital subscribed	13,600	-	-	13,600
Share based payment transactions	-	282	-	282
At 31 December 2019	74,868	652	(65,216)	10,304

The notes on pages 14 to 28 form an integral part of these financial statements.

CNBC (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The Company's principal activity is to produce business and financial television news programming for distribution as cable, satellite or digital delivered channel throughout Europe. The entity is a private company limited by shares, incorporated in United Kingdom and registered in England & Wales.

The address of its registered office is 10 Fleet Place London EC4M 7QSWC2H 8NU.

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.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional currency of CNBC (UK) Limited is pounds sterling because that is the currency of the primary economic environment in which the company operates.

Summary of disclosure exemptions

The company as a qualifying entity has taken advantage of the exemptions provided by FRS 102 Section 1, in relation to presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Exemption from preparing group accounts

The financial statements contain information about CNBC (UK) 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 parent, NBCUniversal Media, LLC, a company incorporated in the United States of America.

CNBC (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Going concern

Given the integrated nature of the Group's financial planning and treasury functions, the impact of COVID-19 on the Company's operations and funding requirements has been assessed at the Group level. The uncertainty around COVID-19 makes it challenging for management to estimate with precision the future performance of our business but we expect the impact of COVID-19 to increase in significance in the second quarter of 2020, and to have a material adverse impact on our results of operations over the near to medium term. We have reviewed the current financial performance and position of the company and the uncertainties surrounding the impact of COVID-19, including a stress test assessment of the cash requirements of the business under a prolonged period of lockdown with limited revenue. As a result, the directors believe that the business is likely to be reliant on group support in order to meet its current and long-term liquidity and capital requirements. Accordingly, the company is part of the international cash pool facility and has received confirmation of support from Comcast Corporation for a period of at least 12 months from the date of signing of these financial statements.

The parent company NBCUniversal Media LLC has additionally provided a corporate guarantee to the international cash pool entity, NBC Television Investments B.V., that indemnifies the cash pool header entity against default by borrowers from the cash pool thereby effectively ensuring the solvency of the NBCUniversal international subsidiaries from the US parent. This guarantee has never been invoked nor is there any anticipation, at this stage, that it will be in the foreseeable future.

On the basis of our assessment, we have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, with net assets of £10,304,000, and hence continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical accounting judgements

In preparing these financial statements, the directors have made the following judgements:

Determining whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset. There has been no impairment recorded in the current and prior years. Refer to note 11 for the carrying value of the tangible assets.

Key sources of estimation uncertainty

Directors do not consider there to be any material estimation uncertainty.

Turnover

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

Finance income and costs policy

Interest receivable is recognised as interest accrues, using the effective interest rate method. All interest receivable is recognised in the profit and loss accounts.

Interest payable is recognised as interest accrues. All interest payable is recognised in the profit and loss account.

CNBC (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Foreign currency transactions and balances

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 into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax asset are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profits.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and the entity intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

CNBC (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	10%
Land and buildings	Lower of asset life or life of the lease
Plant and machinery	12.5%

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Dividends on equity shares are recognised in income when receivable.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade debtors are derecognised when the contractual rights to the cash flows from the trade debtor expire or are settled

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised at the transaction price. Trade creditors are derecognised only when the obligation specified in the contract has been discharged, cancelled or expires.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

CNBC (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award.

Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions) and non vesting conditions. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non vesting condition, which are treated as vesting irrespective of whether or not the market or non vesting condition is satisfied, provided that all other performance conditions are satisfied.

CNBC (UK) Limited**Notes to the Financial Statements for the Year Ended 31 December 2019****3 Turnover**

The analysis of the company's turnover for the year from continuing operations is as follows:

	2019 £ 000	2018 £ 000
Rendering of services	<u>25,135</u>	<u>23,693</u>

An analysis of turnover by geographical market is given below:

	2019 £ 000	2018 £ 000
UK	5,441	5,838
Rest of European Union	5,178	8,328
USA	6,610	5,745
Rest of World	<u>7,906</u>	<u>3,782</u>
	<u>25,135</u>	<u>23,693</u>

4 Operating profit

Arrived at after charging/(crediting)

	2019 £ 000	2018 £ 000
Depreciation expense	833	809
Foreign exchange losses/(gains)	<u>459</u>	<u>(297)</u>

5 Interest receivable and similar income

	2019 £ 000	2018 £ 000
Interest from group companies	<u>66</u>	<u>54</u>

6 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest on loans from group undertakings	<u>110</u>	<u>40</u>

7 Auditors' remuneration

	2019 £ 000	2018 £ 000
Audit of the financial statements	<u>58</u>	<u>53</u>

CNBC (UK) Limited**Notes to the Financial Statements for the Year Ended 31 December 2019**

There were no fees payable to the company's auditor for non-audit services during the current and prior year.

8 Staff numbers and costs

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

	2019 £ 000	2018 £ 000
Wages and salaries	11,867	10,514
Social security costs	987	924
Pension costs, defined contribution scheme	687	628
	<u>13,541</u>	<u>12,066</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Production	83	80
Administration and support	24	22
Sales, marketing and distribution	32	29
	<u>139</u>	<u>131</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £ 000	2018 £ 000
Remuneration	933	885
Contributions paid to money purchase schemes	5	7
	<u>938</u>	<u>892</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2019 No.	2018 No.
Received or were entitled to receive shares under long term incentive schemes	2	1
Accruing benefits under defined benefit pension scheme	1	2

CNBC (UK) Limited**Notes to the Financial Statements for the Year Ended 31 December 2019**

In respect of the highest paid director.

	2019 £ 000	2018 £ 000
Remuneration	<u>858</u>	<u>796</u>

During the year the highest paid director received or was entitled to receive shares under a long term incentive scheme.

10 Taxation

Tax charged/(credited) in the income statement

	2019 £ 000	2018 £ 000
Foreign tax	<u>34</u>	<u>25</u>

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax 19% (2018 - 19%) to the profit before tax is as follows:

	2019 £ 000	2018 £ 000
Loss before tax	<u>(8,979)</u>	<u>(7,565)</u>
Corporation tax at standard rate	(1,706)	(1,438)
Expenses not deductible for tax purposes	59	48
Deferred tax expense/(credit) from unrecognised temporary difference	(24)	160
Group relief not paid for	1,677	1,235
Adjustment for higher/(lower) tax rates on overseas earnings	<u>28</u>	<u>20</u>
Total tax charge	<u>34</u>	<u>25</u>

Deferred tax

There are unrecognised deferred tax assets of £333,708 (2018 - £362,757) in respect of accumulated depreciation and amortisation and capital allowances.

The rate of UK corporation tax that was in effect at the balance sheet date was 19%.

Deferred tax assets and liabilities on timing differences and tax losses have been calculated at the rate at which they are expected to reverse. There is no expiry date on timing differences or tax losses.

CNBC (UK) Limited**Notes to the Financial Statements for the Year Ended 31 December 2019****11 Tangible assets**

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Plant and machinery £ 000	Total £ 000
Cost or valuation				
At 1 January 2019	554	216	5,583	6,353
Additions	397	42	650	1,089
At 31 December 2019	951	258	6,233	7,442
Depreciation				
At 1 January 2019	412	139	2,520	3,071
Charge for the year	49	23	761	833
At 31 December 2019	461	162	3,281	3,904
Carrying amount				
At 31 December 2019	490	96	2,952	3,538
At 31 December 2018	142	77	3,063	3,282

Included within the net book value of land and buildings above is £Nil (2018: £Nil) in respect of freehold land and buildings £490,234 (2018: £141,879) in respect of long leasehold land and buildings.

CNBC (UK) Limited**Notes to the Financial Statements for the Year Ended 31 December 2019****12 Investments in subsidiaries****2019
£ 000****Subsidiaries****Cost or valuation**At 1 January 2019 15,847At 31 December 2019 15,847**Provision**At 1 January 2019 15,847At 31 December 2019 15,847**Carrying amount**At 31 December 2019 -At 31 December 2018 -**Details of undertakings**

Details of the investments (including principal place of business of the entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Business News (Europe) Partnership 100 Universal City Plaza, Universal City, CA 91608	United States	Ordinary shares	100%	100%
CFN/CNBC Holding BV Hoofdweg 52A, 3067 GH Rotterdam	Netherlands	Ordinary shares	31.58%	31.58%

The principal activity of Business News (Europe) Partnership is a dormant partnership.

The principal activity of CFN/CNBC Holding BV is holding company.

CNBC (UK) Limited**Notes to the Financial Statements for the Year Ended 31 December 2019****13 Debtors**

	2019 £ 000	2018 £ 000
Trade debtors	4,946	6,310
Owed by group undertakings	6,804	3,177
Accrued income	3,281	2,510
Other receivables	242	95
VAT receivable	340	410
Total current trade and other receivables	<u>15,613</u>	<u>12,502</u>

The balance owed by group undertakings include £6,804,000 from other group companies.

Interest will be received at market rate from group undertakings on balances which are not trade in nature. These balances are repayable on demand.

14 Creditors

	Note	2019 £ 000	2018 £ 000
Due within one year			
Trade creditors		678	315
VAT payable		-	41
Accruals and deferred income		5,411	4,959
Owed to group undertakings		<u>2,642</u>	<u>5,034</u>
		<u>8,731</u>	<u>10,349</u>

The balanced owed to group undertakings include £2,642,000 to other group companies.

Interest will be paid at market rate to group undertakings on balances which are not trade in nature. These balances are repayable on demand.

15 Provisions

	Restructuring £ 000	Total £ 000
Additional provisions	<u>116</u>	<u>116</u>
At 31 December 2019	<u>116</u>	<u>116</u>

CNBC (UK) Limited**Notes to the Financial Statements for the Year Ended 31 December 2019****16 Share capital****Allotted, called up and fully paid shares**

	2019		2018	
	No. 000	£ 000	No. 000	£ 000
Ordinary Shares of £1 each	<u>74,868</u>	<u>74,868</u>	<u>61,268</u>	<u>61,268</u>

On 20 November 2019, NBC (UK) Holdings subscribed for and issued 13,600,000 ordinary shares at £1 each in share capital of the company.

17 Reserves**Other reserves**

The other reserve has arisen completely from share based payment transactions and is therefore the build up of expense associated with these payments which will be recycled when the share based payments vest.

Profit and loss account

The profit and loss account reserve represents cumulative profits or losses net of dividends paid and other adjustments.

18 Pension and other schemes**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £686,774 (2018: £628,183).

CNBC (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

19 Share-based payments

Comcast Corporation Incentive Plans

Scheme details and movements

Certain employees of the company were previously selected to participate in share options and restricted units of Comcast Corporation under the terms of the Comcast Corporation Incentive Plans. Share options generally expire 10 years from grant date and vest over service periods ranging from one to nine and a half years. The option price is usually set as the closing day share price on grant date.

Restricted units give the participants the right to receive shares in Comcast Corporation for no consideration. Restricted units vest over various service periods beginning one year from grant date through five years.

All grants of Comcast options under all plans must be approved by the Compensation Committee of Comcast Corporation, which consist entirely of outside directors.

For further details on stock options and Restricted Units from both plans, please refer to the Comcast Corporation Annual report available at www.cmcsk.com

a) Share options

There were no share options issued to the staff or directors of the Company in the current year (2018: nil).

b) Restricted Stock Units

The total number of restricted stock units (RSUs) granted during 2019 was 6,428 (2018: 16,738).

Fair value of restricted funds

The fair value of each restricted stock unit is the market price of the stock on the date of grant. The fair value of RSUs for the year ended 31 December 2019 was \$40.42 and 2018 was \$35.56 (under the Comcast plan). The weighted average value of restricted stock units granted during 2019 was \$39.06 and 2018 was \$35.91.

The average monthly exchange rate at the year end was \$1.27 (2018: \$1.34).

The opening exchange rate was \$1.26 (2018: \$1.39).

The closing exchange rate was \$1.31 (2018: \$1.26).

The entity is part of a group share-based payment scheme and it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The allocation of the group expense is based on the entity's employees who receive share-based payments.

Effect of share-based payments on profit or loss and financial position

The total expense recognised in profit or loss for the year was £281,874 (2018: 211,340).

CNBC (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

20 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £2,597,085 (2018: £4,461,892).

Capital commitments relate to securing the right to carriage fee transmission of the channel across Europe and digital satellite transmission services.

Operating lease commitments

As at 31 December 2019 the company had commitments under non-cancellable operating leases as follows:

	2019 £ 000	2018 £ 000
Land and buildings		
Within one year	1,218	1,218
Within two to five years	4,870	4,870
Over five years	3,348	4,566
Total	<u>9,436</u>	<u>10,654</u>

The operating lease charge for the year is £ 1,110,776

21 Parent and ultimate parent undertaking

The company's immediate parent is NBC (UK) Holdings Limited, incorporated in England and Wales.

The smallest group in which the results of the company was consolidated is that headed by NBCUniversal Media LLC, a company incorporated in the United States of America. The principal and registered place of business is 30 Rockefeller Plaza New York, NY 10112-0015, USA.

The largest group in which the results of the company are consolidated is that headed up by its ultimate parent undertaking and ultimate controlling party, Comcast Corporation, a company incorporated in United States of America. The principal and registered place of business is 30 Rockefeller Plaza New York, NY 10112-0015, USA. The consolidated financial statements are available upon request from 30 Rockefeller Plaza, New York, NY 10112-0015, USA and One Comcast Center, 1701 John F. Kennedy Boulevard, Philadelphia, PA 19103-2838, USA or at www.cmcsa.com.

CNBC (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

22 Subsequent events

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. In response to the outbreak many countries have implemented measures to combat the outbreak. The ultimate financial impact this disruption and COVID-19 will have on the Company is difficult to predict at this time, but the impact could have a material adverse effect on its results of operations over the near to medium term. However, we continue to monitor the situation closely including the impacts of COVID-19 on our results. We consider this to be a non-adjusting subsequent event and, as such while this has been considered as part of the assessment of going concern, there was no impact on the financial information presented as at and for the year ended 31 December 2019.