

CNBC (UK) Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2020



CNBC (UK) Limited

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CNBC (UK) Limited

Company Information

Directors C A Karamoy-Daw
J Casey

Registered office 10 Fleet Place
London
EC4M 7QS
United Kingdom

Auditors Deloitte LLP
Statutory Auditor
London, UK

CNBC (UK) Limited

Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

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 £7,741,000 (2019: £8,979,000) for the year and turnover of £25,432,000 (2019: £25,135,000).

The loss for the year, after taxation, amounted to £7,769,000 (2019: £9,013,000).

The company has net assets of £2,860,000 (2019: net assets of £10,304,000) out of which £1,229,000 is due to (2019: £4,162,000 due from) fellow group companies.

Enhanced business review

Revenue in 2020 remained in line with 2019 mainly due to advertising clients diversifying spend between linear TV and digital. Also, a number of new clients were brought on board during the year whilst renewing existing clients.

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

	Unit	2020	2019
Operating margin	%	(31)	(36)
Gross margin	%	24	23

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 2020

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. 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

The COVID-19 pandemic has had, and will likely continue to have, a material adverse effect on our business and results of operations. The impacts of COVID-19 and measures to prevent its spread across the globe have impacted our results of operations during 2020 and our businesses in a number of ways. The deterioration of economic conditions caused by COVID-19 resulted in significant reductions in advertising revenue.

We have implemented and will continue to implement cost savings initiatives across our business that have impacted and will continue to impact our results of operations. Certain costs have been incurred by our business in response to COVID-19. We expect that the impacts of the COVID-19 pandemic will continue to have a material adverse impact on our results of operations over the near to medium term, although the extent of such impact will depend on restrictive governmental measures, further deterioration of the global economy and widespread availability of vaccines. This uncertainty makes it challenging for management to estimate with precision the future performance of our business.

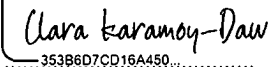
Future developments

The impact of COVID-19 on our business also generally depends on the extent of restrictive governmental measures taken that affect day-to-day life and the length of time that such measures remain in place to respond to COVID-19, further deterioration of the global economy and the widespread availability of a vaccine. At this point, it is impossible to predict such extent and duration and the degree to which our results of operations will continue to be affected.

No other external factors are expected to impact the entity. The directors' expect no significant changes to the future activities of the business.

CNBC (UK) Limited

Approved by the Board on 25 June 2021 and signed on its behalf by:

DocuSigned by:

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C A Karamoy-Daw
Director

CNBC (UK) Limited

Directors' Report for the Year Ended 31 December 2020

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 2020.

Future developments

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

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 (2019: £nil).

The directors did not declare an interim dividend for the year (2019: £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)

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 which were made during the year and remain in force at the date of this report.

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. Although negatively impacted, the directors expect that the business will continue to generate significant cash flow from operating activities and we believe that these cash flows, together with our existing cash, cash equivalents and the international treasury cash pool facility will be sufficient for us to meet our current and long-term liquidity and capital requirements. The directors also took actions to conservatively manage cash through reductions in costs and capital expenditures in 2020. The directors further highlight that the company has received confirmation that Comcast Corporation intends to support the Company for a period of at least 15 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 £2,860,000, 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 2020

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 25 June 2021 and signed on its behalf by:

DocuSigned by:

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C A Karamoy-Daw

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 2020 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 comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 21.

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

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.

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.

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

CNBC (UK) Limited

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

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 FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

CNBC (UK) Limited

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud relates to the occurrence and accuracy of advertising revenue. In order to address this risk, we have tested the design and implementation of key controls and traced a sample of transactions to cash received as well as other supports including signed contracts and delivery reports where applicable.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

CNBC (UK) Limited

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

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.

Matters on which we are required to report by exception

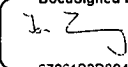
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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:

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

London, UK

25 June 2021

CNBC (UK) Limited**Profit and Loss Account for the Year Ended 31 December 2020**

	Note	2020 £ 000	2019 £ 000
Turnover	3	25,432	25,135
Cost of sales		<u>(19,440)</u>	<u>(19,286)</u>
Gross profit		5,992	5,849
Administrative expenses		<u>(13,750)</u>	<u>(14,784)</u>
Operating loss	4	(7,758)	(8,935)
Interest receivable and similar income	5	25	66
Interest payable and similar expenses	6	<u>(8)</u>	<u>(110)</u>
Loss before taxation		(7,741)	(8,979)
Tax on loss	10	<u>(28)</u>	<u>(34)</u>
Loss for the financial year	17	<u><u>(7,769)</u></u>	<u><u>(9,013)</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.

CNBC (UK) Limited

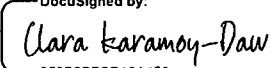
Statement of Other Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Loss for the year		<u>(7,769)</u>	<u>(9,013)</u>
Total comprehensive loss for the year		<u><u>(7,769)</u></u>	<u><u>(9,013)</u></u>

CNBC (UK) Limited
(Registration number: 01574907)
Balance Sheet as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	11	3,183	3,538
Current assets			
Debtors	13	11,038	15,613
Creditors: Amounts falling due within one year	14	<u>(11,328)</u>	<u>(8,731)</u>
Net current (liabilities)/assets		<u>(290)</u>	<u>6,882</u>
Total assets less current liabilities		2,893	10,420
Provisions for liabilities	15	<u>(33)</u>	<u>(116)</u>
Net assets		<u>2,860</u>	<u>10,304</u>
Capital and reserves			
Called up share capital	16	74,868	74,868
Other reserves	17	977	652
Profit and loss account	17	<u>(72,985)</u>	<u>(65,216)</u>
Shareholder's funds		<u>2,860</u>	<u>10,304</u>

The financial statements have been approved and authorised for issue by the Board on 25 June 2021 and signed on its behalf by:

DocuSigned by:

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 C A Karamoy-Daw
 Director

CNBC (UK) Limited**Statement of Changes in Equity for the Year Ended 31 December 2020**

	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	<u>74,868</u>	<u>652</u>	<u>(65,216)</u>	<u>10,304</u>

	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	74,868	652	(65,216)	10,304
Loss for the year	-	-	(7,769)	(7,769)
Total comprehensive result	-	-	(7,769)	(7,769)
Share based payment transactions	-	325	-	325
At 31 December 2020	<u>74,868</u>	<u>977</u>	<u>(72,985)</u>	<u>2,860</u>

The notes on pages 16 to 29 form an integral part of these financial statements.

CNBC (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

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 under Companies Act 2006 and registered in England & Wales.

The address of its registered office is 10 Fleet Place, London, EC4M 7QS, United Kingdom.

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

As a qualifying entity, exemptions have also been taken under FRS 102 Section 1 in relation to financial instruments, 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 2020

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 COVID19 to continue in 2021 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. Although negatively impacted, the directors expect that the business will continue to generate significant cash flow from operating activities and we believe that these cash flows, together with our existing cash, cash equivalents and the international treasury cash pool facility (totaling approximately USD 900 million across NBCUniversal International) will be sufficient for us to meet our current and long-term liquidity and capital requirements.

The parent company NBCUniversal Media LLC has additionally provided a corporate guarantee to the international cash pool entity, 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. We further highlight that the company has received confirmation that Comcast Corporation intends to support the Company for a period of at least 15 months from the date of signing of these financial statements.

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 £2,860,000, 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 2020

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 rate on the date when the fair value is re-measured.

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 2020

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 2020

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 2020****3 Turnover**

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

	2020 £ 000	2019 £ 000
Rendering of services	<u>25,432</u>	<u>25,135</u>

An analysis of turnover by geographical market is given below:

	2020 £ 000	2019 £ 000
UK	7,080	5,441
Rest of European Union	6,455	5,178
USA	6,203	6,610
Rest of World	<u>5,694</u>	<u>7,906</u>
	<u>25,432</u>	<u>25,135</u>

4 Operating profit

Arrived at after charging/(crediting)

	2020 £ 000	2019 £ 000
Depreciation expense	839	833
Foreign exchange (gains)/losses	<u>(212)</u>	<u>459</u>

5 Interest receivable and similar income

	2020 £ 000	2019 £ 000
Interest from group companies	<u>25</u>	<u>66</u>

6 Interest payable and similar expenses

	2020 £ 000	2019 £ 000
Interest on loans from group undertakings	<u>8</u>	<u>110</u>

CNBC (UK) Limited**Notes to the Financial Statements for the Year Ended 31 December 2020****7 Auditors' remuneration**

	2020	2019
	£ 000	£ 000
Audit of the financial statements	<u>61</u>	<u>58</u>

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:

	2020	2019
	£ 000	£ 000
Wages and salaries	12,574	11,751
Social security costs	935	987
Pension costs, defined contribution scheme	706	687
Redundancy costs	<u>148</u>	<u>116</u>
	<u>14,363</u>	<u>13,541</u>

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

	2020	2019
	No.	No.
Production	84	83
Administration and support	15	24
Sales, marketing and distribution	<u>36</u>	<u>32</u>
	<u>135</u>	<u>139</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£ 000	£ 000
Remuneration	2,397	933
Contributions paid to money purchase schemes	<u>-</u>	<u>5</u>
	<u>2,397</u>	<u>938</u>

CNBC (UK) Limited**Notes to the Financial Statements for the Year Ended 31 December 2020**

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

	2020	2019
	No.	No.
Received or were entitled to receive shares under long term incentive schemes	2	2
Accruing benefits under defined benefit pension scheme	<u>-</u>	<u>1</u>

In respect of the highest paid director.

	2020	2019
	£ 000	£ 000
Remuneration	<u>1,867</u>	<u>858</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

	2020	2019
	£ 000	£ 000
Foreign tax	<u>28</u>	<u>34</u>

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax 19% (2019: 19%) to the profit before tax is as follows:

	2020	2019
	£ 000	£ 000
Loss before tax	<u>(7,741)</u>	<u>(8,979)</u>
Corporation tax at standard rate	(1,471)	(1,706)
Expenses not deductible for tax purposes	71	59
Deferred tax expense/(credit) from unrecognised temporary difference	(30)	(24)
Group relief not paid for	1,435	1,677
Adjustment for higher/(lower) tax rates on overseas earnings	<u>23</u>	<u>28</u>
Total tax charge	<u>28</u>	<u>34</u>

Deferred tax

There are unrecognised deferred tax assets of £420,073 (2019 - £333,708) in respect of accumulated depreciation and amortisation and capital allowances and £17,350 (2019 - £Nil) in respect of other timing differences.

CNBC (UK) Limited**Notes to the Financial Statements for the Year Ended 31 December 2020**

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

On 3 March 2021 the UK government announced an intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023. This will impact the value of our UK deferred tax balances, and the tax charged on UK profits generated in 2023 and subsequently. The impact of this is not expected to be significant.

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.

11 Tangible assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Plant and machinery £ 000	Total £ 000
Cost or valuation				
At 1 January 2020	951	258	6,233	7,442
Additions	38	9	445	492
Disposals	(111)	(100)	(161)	(372)
At 31 December 2020	<u>878</u>	<u>167</u>	<u>6,517</u>	<u>7,562</u>
Depreciation				
At 1 January 2020	461	162	3,281	3,904
Charge for the year	77	17	745	839
Eliminated on disposal	(111)	(91)	(162)	(364)
At 31 December 2020	<u>427</u>	<u>88</u>	<u>3,864</u>	<u>4,379</u>
Carrying amount				
At 31 December 2020	<u>451</u>	<u>79</u>	<u>2,653</u>	<u>3,183</u>
At 31 December 2019	<u>490</u>	<u>96</u>	<u>2,952</u>	<u>3,538</u>

Included within the net book value of land and buildings above is £Nil (2019: £Nil) in respect of freehold land and buildings and £451,270 (2019: £490,234) in respect of long leasehold land and buildings.

CNBC (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

12 Investments in subsidiaries

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2020	15,847
At 31 December 2020	15,847
Provision	
At 1 January 2020	15,847
At 31 December 2020	15,847
Carrying amount	
At 31 December 2020	-
At 31 December 2019	-

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	
			2020	2019
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 2020****13 Debtors**

	2020	2019
	£ 000	£ 000
Trade debtors	6,681	4,947
Owed by group undertakings	1,706	6,804
Accrued income	2,542	3,280
Other receivables	109	242
VAT receivable	-	340
Total current trade and other receivables	<u>11,038</u>	<u>15,613</u>

The balance owed by group undertakings include £42,000 from parent companies and £1,664,000 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

	2020	2019
	£ 000	£ 000
Due within one year		
Trade creditors	192	678
VAT payable	336	-
Accruals and deferred income	7,865	5,411
Owed to group undertakings	<u>2,935</u>	<u>2,642</u>
	<u>11,328</u>	<u>8,731</u>

The balanced owed to group undertakings include £2,935,000 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.

CNBC (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

15 Provisions

	Restructuring £ 000	Total £ 000
At 1 January 2020	116	116
Additional provisions	148	148
Provisions used	<u>(231)</u>	<u>(231)</u>
At 31 December 2020	<u>33</u>	<u>33</u>

16 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary Shares of £1 each	<u>74,868</u>	<u>74,868</u>	<u>74,868</u>	<u>74,868</u>

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 £706,305 (2019: £686,774).

CNBC (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

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 (2019: nil).

b) Restricted Stock Units

The total number of restricted stock units (RSUs) granted during 2020 was 8,784 (2019: 6,428).

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 2020 was \$41.71 and 2019 was \$40.42 (under the Comcast plan). The weighted average value of restricted stock units granted during 2020 was \$40.23 and 2019 was \$39.06.

The average monthly exchange rate at the year end was \$1.28 (2019: \$1.27).

The opening exchange rate was \$1.31 (2019: \$1.26).

The closing exchange rate was \$1.35 (2019: \$1.31).

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 £325,090 (2019: 281,874).

CNBC (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

20 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £1,386,921 (2019: £2,597,085).

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 2020 the company had commitments under non-cancellable operating leases as follows:

	2020 £ 000	2019 £ 000
Land and buildings		
Within one year	1,218	1,218
Within two to five years	4,870	4,870
Over five years	2,131	3,348
Total	8,219	9,436

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 One Comcast Center. 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.