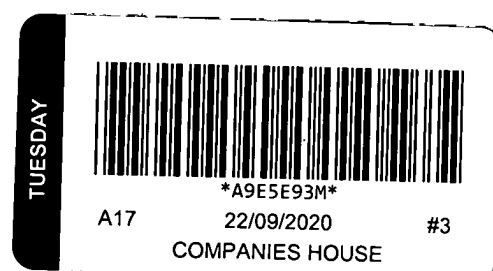


LIBERTY GLOBAL EUROPE LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



LIBERTY GLOBAL EUROPE LIMITED

COMPANY INFORMATION

Directors	C H R Bracken J L Evans
Company secretary	J L Evans
Registered number	03422231
Registered office	Griffin House 161 Hammersmith Road London W6 8BS
Independent auditors	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA

LIBERTY GLOBAL EUROPE LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report to the member of Liberty Global Europe Limited	6 - 7
Profit and loss account and statement of other comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 21

LIBERTY GLOBAL EUROPE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Principal activities and business review

The principal activity of Liberty Global Europe Limited (the "company") during the year was, and will continue to be, the provision of corporate services to fellow subsidiaries of Liberty Global plc.

At 31 December 2019, the company was a wholly owned subsidiary of Liberty Global plc (Liberty Global).

Liberty Global is an international provider of broadband internet, video, fixed-line telephony and mobile communications services to residential customers and businesses in Europe. Liberty Global's operations comprise businesses that provide residential and B2B communications services in (i) the UK and Ireland through Virgin Media, (ii) Belgium through Telenet and (iii) Switzerland, Poland and Slovakia through UPC Holding. In addition, Liberty Global owns a 50% non-controlling interest in the VodafoneZiggo JV, which provides residential and B2B communications services in the Netherlands.

At 31 December 2019, Liberty Global's operations owned and operated networks that passed 25.8 million homes and served 25.0 million revenue generating units, consisting of 9.3 million broadband internet subscribers, 8.3 million video subscribers and 7.4 million fixed-line telephony subscribers. In addition, Liberty Global also served 6.3 million mobile subscribers.

Principal risks and uncertainties

Financial and operational risk management is undertaken as part of the group operations as a whole. The company's operations expose it to a variety of operational and financial risks. These are considered in more detail in the 2019 Liberty Global Annual Report which is available at www.libertyglobal.com, or from the company secretary, Liberty Global plc, Griffin House, 161 Hammersmith Road, London, United Kingdom, W6 8BS.

Brexit

The UK's departure from the EU could have a material adverse effect on our business, financial condition, results of operations or liquidity. On 23 June 2016, the UK held a referendum in which voters approved, on an advisory basis, an exit from the EU, commonly referred to as "Brexit".

The UK formally exited the EU on 31 January 2020, and has now entered into a transition period until 31 December 2020, during which the UK and the EU will negotiate to formalise the future UK-EU relationship with respect to a number of matters, most notably, trade. Although the UK has ceased to be an EU member, during the transition period their trading relationship will remain the same and the UK will continue to follow the EU's rules, such as accepting rulings from the European Court of Justice, and the UK will continue to contribute to the EU's budget.

Uncertainty remains as to what specific terms of separation may be agreed during the transition period. It is possible that the UK will fail to agree to specific separation terms with the EU by the end of the transition period, which, absent extension, may require the UK to leave the EU under a so-called "hard Brexit" or "no-deal Brexit" without specific agreements on trade, finance and other key elements.

The foregoing has caused considerable uncertainty as to Brexit's impact on the free movement of goods, services, people and capital between the UK and the EU, customer behaviour, economic conditions, interest rates, currency exchange rates, and availability of capital. Examples of the potential impact Brexit could have on Liberty Global group's business, financial condition or results of operations include:

- changes in foreign currency exchange rates and disruptions in the capital markets;
- shortages of labour necessary to conduct our business including our Network Extension in the UK;
- disruption to our UK supply chain and related increased cost of supplies;
- a weakened UK economy resulting in decreased consumer demand for our products and services in the UK;
- legal uncertainty and potentially divergent national laws and regulations as the UK determines which EU laws and directives to replace or replicate, or where previously implemented by enactment of UK laws or regulations, to retain, amend or repeal; and
- various geopolitical forces may impact the global economy and our business, including, for example, other EU member states (in particular those member states where we have operations) proposing referendums to, or electing to, exit the EU.

COVID-19

In March 2020, the World Health Organisation declared the recent outbreak of a novel strain of coronavirus (COVID-19) to be a global pandemic. In response to the COVID-19 pandemic, emergency measures have been imposed by governments worldwide, including travel restrictions, restrictions on social activity and the shutdown of non-essential businesses.

These measures have adversely impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets. While it is not currently possible to estimate the duration and severity of the COVID-19 pandemic or the adverse economic impact resulting from the preventative measures taken to contain or mitigate its outbreak, an extended period of global economic disruption could have a material adverse impact on our business, financial condition and results of operations in future periods.

LIBERTY GLOBAL EUROPE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Key performance indicators (KPIs)

Turnover increased by 2.1% from £51,180,000 in the year ended 31 December 2018 to £52,280,000 in the year ended 31 December 2019, primarily as a result of increase in services provided on behalf of other group companies.

Administrative expenses increased by 9.7% from £46,086,000 in the year ended 31 December 2018 to £50,548,000 in the year ended 31 December 2019, primarily as a result of an increase in expenses allocated to the company on costs incurred by other group companies on behalf of the company.

Operating profit before exceptional items has decreased by 66% from £5,094,000 in the year ended 31 December 2018 to £1,732,000 in the year ended 31 December 2019.

Future outlook

The directors will continue to review management policies in light of changing trading and market conditions. Further detail of the future outlook of the group is provided in the 2019 Liberty Global Annual Report which is available at www.libertyglobal.com.

Section 172 Statement

This statement is intended to disclose how our directors have approached and met their responsibilities under s172 Companies Act 2006.

In line with group's goal of enhancing the long-term value for the benefit of its shareholders, the directors of the company have been elected by our shareholders to oversee the management of the company, to help assure that the interests of our shareholders are served.

The following factors are considered as part of group operations as a whole, to maintain highest standards of corporate governance, essential to our business integrity and performance:

- long-term consequences of decisions;
- employees' interests;
- business relationships with suppliers and customers;
- the impact of our operations on the environment and communities in which we operate and;
- the need to act fairly between shareholders.

Consideration of these factors and other relevant matters is embedded into all Liberty Global group decision-making, strategy development and risk assessment throughout the year. Further information is considered in more detail in the Annual Report of Liberty Global plc which is available at libertyglobal.com.

This report was approved by the board on 14 September 2020 and signed on its behalf.



C H R Bracken
Director

LIBERTY GLOBAL EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and audited financial statements for the year ended 31 December 2019.

Results and dividends

The loss for the year, after tax, amounted to £1,420,000 (2018 - loss £1,579,000).

The directors have not recommended an ordinary dividend (2018 - £nil).

Directors

The directors who served during the year and thereafter were as follows:

C H R Bracken
J L Evans

The directors of the company have been indemnified against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision is in force for directors serving during the financial year and as at the date of approving the Directors' Report.

Going concern

After making suitable enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements. Consideration of the potential impact of COVID-19 has not altered this conclusion.

Employment policies and disabled employees

Liberty Global Europe Limited remains committed to the continuing introduction and practice of progressive employment policies which reflect changing business, social and employee needs.

The company aims to ensure that everyone connected to it is treated fairly and equally, whether they are a current or former member of staff, job applicant, customer or supplier.

Nobody should be discriminated against, either directly or indirectly, on the grounds of their gender, gender reassignment, marital status, pregnancy, race, ethnic origin, colour, nationality, national origin, disability, sexual orientation, religion or belief, age, political affiliation or trade union membership. The policy applies to anyone who works for, who has worked for or who applies to work for the company or its partners. That means permanent, temporary, casual or part-time staff, anyone on a fixed-term contract, agency staff and consultants working with the group, ex-employees and people applying for jobs. This applies to all aspects of employment, including recruitment and training.

Liberty Global Europe Limited gives full consideration to applications from employees with disabilities where they can adequately fulfil the requirements of the job. Depending on their skills and abilities, employees with a disability have the same opportunities for promotion, career development and training as other employees. Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

In line with Liberty Global's 'Code of Business Conduct', the group's employees and directors are expected to display responsible and ethical behaviour, to follow consistently both the meaning and intent of this Code and to act with integrity in all of the group's business dealings. Managers and supervisors are expected to take such action as is necessary and appropriate to ensure that the group's business processes and practices are in full compliance with the Code.

Employee involvement

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through regular information bulletins, which seek to achieve a common awareness of the financial and economic factors affecting the performance of the business.

Charitable donations

The company made charitable donations of £151,000 during the year (2018 - £nil).

LIBERTY GLOBAL EUROPE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

KPMG LLP will be reappointed under section 487(2) of the Companies Act 2006.

This report was approved by the board on 14 September 2020 and signed on its behalf.



C H R Bracken
Director

LIBERTY GLOBAL EUROPE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LIBERTY GLOBAL EUROPE LIMITED

Opinion

We have audited the financial statements of Liberty Global Europe Limited ("the company") for the year ended 31 December 2019 which comprise the Strategic Report, the Directors' Report, Profit and Loss Account and Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- 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 UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic Report and Directors' Report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LIBERTY GLOBAL EUROPE LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

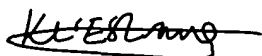
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



Katharine L'Estrange (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

17 September 2020

LIBERTY GLOBAL EUROPE LIMITED

**PROFIT AND LOSS ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Revenue		52,280	51,180
Administrative expenses		(50,548)	(46,086)
Exceptional administrative expenses		(1,724)	-
Operating profit	4	<u>8</u>	<u>5,094</u>
Interest receivable and similar income	7	15	8
Interest payable and similar expenses	8	(1,443)	(6,681)
Loss before tax		<u>(1,420)</u>	<u>(1,579)</u>
Tax on loss	9	-	-
Loss for the financial year		<u><u>(1,420)</u></u>	<u><u>(1,579)</u></u>

The notes on pages 11 to 21 form part of these financial statements.

There was no other comprehensive income or expenditure for 2019 or 2018 other than that included in the profit and loss account.

All results were derived from continuing operations.

LIBERTY GLOBAL EUROPE LIMITED
REGISTERED NUMBER:03422231

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	10	112	12
Tangible assets	11	1,527	1,969
		<u>1,639</u>	<u>1,981</u>
Current assets			
Debtors: amounts falling due after one year	12	1,363	-
Debtors: amounts falling due within one year	12	47,378	26,511
Cash at bank and in hand		156	356
		<u>48,897</u>	<u>26,867</u>
Creditors: amounts falling due within one year	13	<u>(32,509)</u>	<u>(22,404)</u>
Net current assets		<u>16,388</u>	<u>4,463</u>
Total assets less current liabilities		<u>18,027</u>	<u>6,444</u>
Creditors: amounts falling due after more than one year	14	<u>(9,232)</u>	<u>(42,213)</u>
Net assets/(liabilities)		<u><u>8,795</u></u>	<u><u>(35,769)</u></u>
Capital and reserves			
Share premium account	16	41,381	-
Accumulated losses	16	(32,586)	(35,769)
Total shareholder's fund/(deficit)		<u><u>8,795</u></u>	<u><u>(35,769)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 September 2020.



C H R Bracken
Director

The notes on pages 11 to 21 form part of these financial statements.

LIBERTY GLOBAL EUROPE LIMITED

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

	Share capital £000	Share premium account £000	Accumulated losses £000	(Deficit)/Total shareholder's fund £000
At 1 January 2019	-	-	(35,769)	(35,769)
Comprehensive income for the year				
Loss for the year	-	-	(1,420)	(1,420)
Total comprehensive income for the year	-	-	(1,420)	(1,420)
Shares issued during the year	-	41,381	-	41,381
Share based remuneration expenses	-	-	13,397	13,397
Employee share option recharges from parent undertaking	-	-	(8,794)	(8,794)
At 31 December 2019	-	41,381	(32,586)	8,795

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital £000	Accumulated losses £000	Deficit £000
At 1 January 2018	-	(45,176)	(45,176)
Comprehensive income for the year			
Loss for the year	-	(1,579)	(1,579)
Total comprehensive income for the year	-	(1,579)	(1,579)
Share based remuneration expenses	-	9,959	9,959
Employee share option recharges from parent undertaking	-	(1,933)	(1,933)
Common control acquisition	-	2,960	2,960
At 31 December 2018	-	(35,769)	(35,769)

The notes on pages 11 to 21 form part of these financial statements.

LIBERTY GLOBAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Company information

Liberty Global Europe Limited (the "company") is a private company incorporated, domiciled and registered in the UK. The registered number is 03422231. The registered address is Griffin House, 161 Hammersmith Road, London, W6 8BS.

2. Accounting policies

A summary of the principal accounting policies is set out below. All accounting policies have been applied consistently, unless noted below.

2.1 Basis of accounting

These financial statements have been prepared on a going concern basis, and under the historical cost basis in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements are presented in Sterling ("£") and rounded to the nearest thousand.

The company's ultimate parent undertaking, Liberty Global plc, includes the company in its consolidated financial statements. The consolidated financial statements of Liberty Global plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Liberty Global's website at www.libertyglobal.com.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible assets and intangible assets;
- disclosures in respect of related party transactions with fellow group undertakings;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of key management personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Liberty Global plc include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments.

2.2 Going concern

The financial statements have been approved on the assumption that the company remains a going concern.

It is Liberty Global's practice for operational and financial management to be undertaken at a group level rather than for individual entities that are wholly owned by the group. As part of normal business practice, regular cash flow forecasts for both short and long term commitments are undertaken at group level.

Forecasts and projections prepared for the Liberty Global group as a whole, indicate that cash on hand, together with cash from operations and undrawn revolving credit facilities, are expected to be sufficient for the Liberty Global group's and hence the company's cash requirements through to at least 12 months from the approval of these financial statements.

Whilst the detailed cash flow forecasts are prepared at the group level, the directors have also assessed the position of the company, including the recoverability of the intercompany loans. This assessment indicates that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its fellow subsidiary company, Liberty Global Europe 2 Limited, to meet its liabilities as they fall due for that period. Liberty Global Europe 2 Limited has indicated its intention to continue to make available such funds for at least 12 months from the approval of these financial statements.

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

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis. Consideration of the potential impact of COVID-19 has not altered this conclusion.

LIBERTY GLOBAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Revenue

Revenue represents the value of corporate services provided to fellow group undertakings of Liberty Global plc, stated net of value added tax and discounts, and is attributable to continuing activities. The directors consider this to be a single class of business.

Revenue recognition

Revenue is recognised over the contracted term, to the extent that it is realised or realisable and earned. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and VAT. The following criteria must also be met before revenue is recognised:

- persuasive evidence of an arrangement exists between the company and the company's customer;
- delivery has occurred or the service has been rendered;
- the price for the service is fixed or determinable; and
- recoverability is reasonably assured.

2.4 Intangible fixed assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over their useful economic lives as follows:

- | | |
|----------------------------|-----------------|
| - IT Software | 1 - 5 year |
| - Construction in progress | Not depreciated |

Labour and business process outsourcing and cost relating to the design, construction and development of technology projects and related services are capitalised and amortised on a straight-line basis over the life of the relevant assets.

2.5 Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than land, so as to write off the cost of a tangible fixed asset on a straight line basis over the expected useful economic life of that asset as follows:

- | | |
|----------------------------|-----------------|
| - Computer equipment | 3 years |
| - Construction in progress | Not depreciated |
| - Other fixed assets | 3 - 5 years |

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Labour and business process outsourcing cost relating to the design, construction and development of capital projects and related services are capitalised and depreciated on a straight-line basis over the life of the relevant assets.

2.6 Trade and other debtors

Trade and other debtors are stated at their recoverable amount. Provision is made when the amount receivable is not considered recoverable and the amount is fully written off when the probability for recovery of a balance is assessed as being remote.

The company uses a forward looking expected loss impairment model which uses a lifetime expected loss allowance for all assets held at amortised cost.

2.7 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting exchange differences are taken to the profit and loss account.

2.8 Cash and cash equivalents

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

LIBERTY GLOBAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.9 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.11 Employee benefits

When an employee has rendered services to the company during an accounting period, short-term benefits expected to be paid in exchange for those services are recognised in the same accounting period. Cash based long-term incentives are accrued at fair value, recognising the movement in the accrual in the financial statements where the conditions and the plan extend beyond a year.

LIBERTY GLOBAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.12 Share based payments

Liberty Global provides share-based remuneration to certain key employees within the Liberty Global group, some of which are employed by the company, including performance plans, stock options, stock appreciation rights ("SARS"), restricted stock and restricted stock units, together known as "share-based remuneration".

It is currently Liberty Global's intention to equity settle this share-based remuneration, however the value of amounts exercised by employees of the company pertaining to these awards is recharged by the group to the company.

Share-based remuneration for performance plans is accounted for as a liability-based plan given that it is intended that a variable number of shares will be issued to settle the fixed obligation that was determined at the end of the performance period. Share-based remuneration is recognised using the accelerated attribution method based on an assessment of the awards that are probable to be earned and is recorded as share-based remuneration, notwithstanding the fact that Liberty Global could elect at a future date to cash settle all or any portion of vested awards under these plans.

Other share-based remuneration is measured at fair value and recognised as an expense in the profit and loss account. The fair value is measured at the date of grant using option-pricing models, taking into account the terms and conditions upon which awards are granted.

The fair value is recognised over the period in which employees become unconditionally entitled to the awards, subject to Liberty Global's estimate of the number of awards which will lapse, either due to employees leaving the group prior to vesting or due to non-market based performance conditions not being met. Where an award has market-based performance conditions, the fair value of the amount reflects the probability of achieving these via the option pricing model. The total amount recognised in the profit and loss account as an expense is adjusted to reflect the actual number of awards that vest, except where forfeiture is due to the failure to meet market-based performance measures.

Share-based remuneration charges are recharged with other administrative expenses to a fellow group company under a Service Agreement.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the company's accounting policies which are described above, management has not made any critical judgements that have a significant effect on the amounts recognised in the financial statements, except for:

Intangible assets and property, plant and equipment

Management sets out capitalisation policies to determine the costs capitalised on technology projects including, external and internal labour, materials, costs recharged from fellow group undertakings and other costs directly attributable to these projects.

Management continuously monitor the appropriateness of the capitalisation policies and update the policies when necessary to respond to changes in facts and circumstances, such as the development of new products and services.

Amortisation is charged on all intangible assets and depreciation is provided on all property, plant and equipment, other than construction in progress, on a straight-line basis at rates calculated to write off the cost of each asset over the shorter of its leasing period or estimated useful life. The estimation of an assets useful economic life has a significant effect on the annual amortisation and depreciation charge.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Recoverability of intercompany debtors

Intercompany debtors are stated at their recoverable amount less any necessary provision. Recoverability of intercompany debtors is assessed annually and a provision is recognised if any indications exist that the debtor is not considered recoverable.

LIBERTY GLOBAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Operating profit

The operating profit is stated after charging/(crediting):

	2019 £000	2018 £000
Depreciation of tangible fixed assets	198	704
Defined contribution pension cost	1,012	1,049
Exceptional expenses	1,724	-
Loss/(gain) on foreign exchange transactions	61	(191)

Certain expenses are specifically attributable to the company. Where costs are incurred by other group companies on behalf of the company, expenses are allocated to the company on a basis that, in the opinion of the directors, is reasonable.

The directors received no remuneration for qualifying services as directors of this company. All directors' remuneration is paid by and disclosed in the financial statements of Liberty Global plc.

Exceptional expenses of £1,724,000 (2018 - £nil) represents group restructuring costs incurred by the company.

5. Auditors' remuneration

The company paid the following amounts to its auditor in respect of the audit of the financial statements and other services provided to the company.

	2019 £000	2018 £000
Fees for the audit of the company	9	9

6. Staff costs

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	26,564	25,673
Social security costs	2,637	2,775
Cost of defined contribution scheme	1,012	1,049
	30,213	29,497

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Administrative staff	208	212

LIBERTY GLOBAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. Interest receivable and similar income

	2019 £000	2018 £000
Interest on amounts owed by group undertakings	10	6
Other finance income	5	2
	<u>15</u>	<u>8</u>

8. Interest payable and similar expenses

	2019 £000	2018 £000
Interest on amounts owed to group undertakings	<u>1,443</u>	<u>6,681</u>

9. Tax on loss

	2019 £000	2018 £000
Current tax		
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Tax on loss	<u>-</u>	<u>-</u>

LIBERTY GLOBAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Tax on loss (continued)

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Loss before tax	(1,420)	(1,579)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(270)	(300)
Effects of:		
Expenses not deductible	41	1,514
Group relief surrendered without payment	-	(1,262)
Deferred tax not recognised	229	(2,372)
Other timing differences	-	2,420
Total tax charge for the year	-	-

Factors that may affect future tax charges

Gross deferred tax assets in respect of tax losses £23,558,000 (2018 - £23,558,000), fixed asset temporary differences £7,356,000 (2018 - £6,148,000) and temporary differences on share based compensation £6,640,000 (2018 - £8,321,000) have not been recognised as there is currently no persuasive evidence that there will be suitable taxable profits against which these timing differences will reverse.

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. The deferred tax assets and liabilities have been calculated using the rate of 17% as at the current balance sheet date (2018 - 17%).

In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on the Company's future tax charge.

LIBERTY GLOBAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Intangible assets

	IT software £000	Construction in progress £000	Total £000
Cost			
At 1 January 2019	12	-	12
Additions	-	100	100
At 31 December 2019	12	100	112
Amortisation			
At 1 January 2019	-	-	-
Charge for the year	-	-	-
At 31 December 2019	-	-	-
Net book value			
At 31 December 2019	12	100	112
At 31 December 2018	12	-	12

LIBERTY GLOBAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Tangible assets

	Computer equipment £000	Construction in progress £000	Total £000
Cost			
At 1 January 2019	1,937	745	2,682
Additions	-	192	192
Disposals	(436)	-	(436)
Transfers between classes	(3)	3	-
At 31 December 2019	1,498	940	2,438
Depreciation			
At 1 January 2019	713	-	713
Charge for the year	198	-	198
At 31 December 2019	911	-	911
Net book value			
At 31 December 2019	587	940	1,527
At 31 December 2018	1,224	745	1,969

12. Debtors

	2019 £000	2018 £000
Due after more than one year		
Amounts owed by group undertakings	1,363	-
	1,363	-
Due within one year		
Amounts owed by group undertakings	42,265	21,544
Amounts owed by affiliates	1,800	3,600
Other debtors	3,082	498
Prepayments and accrued income	231	869
	47,378	26,511

LIBERTY GLOBAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. Debtors (continued)

Amounts owed by group undertakings due after one year includes a loan note which had a carrying value of £362,000 (2018 - £nil) at the balance sheet date. The loan note is denominated in US dollar, bears interest at 9.05% and matures in 2030.

Other amounts owed by group undertakings due after one year are unsecured, interest free and repayable in 2021.

Amounts owed by group undertakings due within one year includes a loan note which had a carrying value of £407,000 (2018 - £nil) at the balance sheet date. The loan note is denominated in sterling, bears interest at 3.08% and matured in 2020.

Other amounts owed by group undertakings due within one year are unsecured, interest free and repayable on demand or payable in 2020.

13. Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	7,518	340
Amounts owed to group undertakings	14,499	13,562
Other taxation and social security	1,282	1,810
Accruals and deferred income	9,210	6,692
	<u>32,509</u>	<u>22,404</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

14. Creditors: amounts falling due after more than one year

	2019 £000	2018 £000
Amounts owed to group undertakings	8,150	42,213
Other creditors	1,082	-
	<u>9,232</u>	<u>42,213</u>

Amounts owed to group undertakings due after more than one year represents loan notes which had a carrying value of £8,150,000 (2018 - £42,213,000) at the balance sheet date. The loan notes are denominated in sterling, bears interest of 5.72% and mature in 2029.

15. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
4 (2018 - 2) Ordinary shares of £1 each	<u>4</u>	<u>2</u>

On 11 March 2019, the company issued 2 ordinary shares of £1 each for consideration of £41,381,000.

LIBERTY GLOBAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

16. Reserves

Accumulated losses

Includes all current and prior year retained profits and losses net of dividends paid.

Share premium account

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

17. Share-based remuneration

The company has a share option scheme for purchasing shares in its parent, which is open to certain key employees of the company. These options include performance plans, stock appreciation rights ("SARs") and performance-based share appreciation rights ("PSARs"), restricted stock and restricted stock units ("RSUs") (together "share-based remuneration").

Awards (other than performance-based awards) under the Liberty Global 2014 Incentive Plan generally (i) vest 12.5% on the six month anniversary of the grant date and then vest at a rate of 6.25% each quarter thereafter and (ii) expire seven years after the grant date. Awards (other than RSUs) issued under the Liberty Global 2014 Nonemployee Director Incentive Plan generally vest in three equal instalments, provided the director continues to serve as director immediately prior to the vesting date, and expire 7 years after the grant date. RSUs vest on the date of the first annual general meeting of shareholders following the grant date. These awards may be granted at or above fair value in any class of ordinary shares. Options are forfeited if the employee leaves the Company before the options vest.

The profit and loss charge for share based payments for the year was £13,415,000 (2018 - £9,661,000).

18. Post balance sheet events

In March 2020, the World Health Organisation declared the recent outbreak of a novel strain of coronavirus (COVID-19) to be a global pandemic. In response to the COVID-19 pandemic, emergency measures have been imposed by governments worldwide, including travel restrictions, restrictions on social activity and the shutdown of non-essential businesses.

These measures have adversely impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets. While it is not currently possible to estimate the duration and severity of the COVID-19 pandemic or the adverse economic impact resulting from the preventative measures taken to contain or mitigate its outbreak, an extended period of global economic disruption could have a material adverse impact on our business, financial condition and results of operations in future periods.

19. Parent undertaking and controlling party

The company's immediate parent undertaking is Liberty Global Europe Holding B.V., a company incorporated in the Netherlands.

The smallest and largest group of which the company is a member and in to which the company's accounts were consolidated at 31 December 2019 is Liberty Global plc.

The company's ultimate parent undertaking and controlling party as at 31 December 2019 was Liberty Global plc.

Copies of the consolidated Liberty Global plc accounts which include the results of the company are available on Liberty Global's website at www.libertyglobal.com or from the company secretary, Liberty Global plc, Griffin House, 161 Hammersmith Road, London, United Kingdom, W6 8BS.