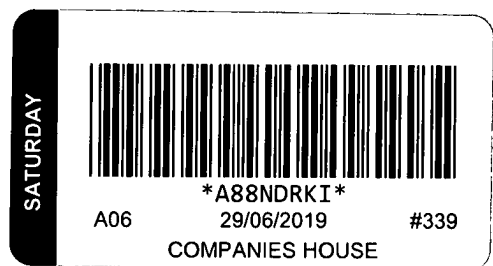


Registration number: 03522943

# NBC Universal Global Networks UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



## **NBC Universal Global Networks UK Limited**

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## **NBC Universal Global Networks UK Limited**

### **Company Information**

|                          |  |
|--------------------------|--|
| <b>Directors</b>         | O Canning  |
|                          | L K Raftery  |
|                          | G R Cade   |
| <b>Registered office</b> | 1 Central St Giles<br>St Giles High Street<br>London<br>WC2H 8NU |
| <b>Auditors</b>          | Deloitte LLP<br>Statutory Auditor<br>London, UK                  |

## NBC Universal Global Networks UK Limited

### Strategic Report for the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

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 the management of several UK television broadcasting channels, Universal Channel, Universal Channel +1, Movies 24 and Movies 24+, which are aired in the UK and Ireland across subscription platforms.

#### Results

The results of the company show a pre-tax profit of £7,210,000 (2017: £840,000) for the year and turnover of £41,027,000 (2017: £36,879,000).

The profit for the year, after taxation, amounted to £6,000,000 (2017: £686,000).

The company has net assets of £25,425,000 (2017: net assets of £24,425,000) out of which £11,480,000 is due from (2017: £4,894,000) fellow group companies.

#### Enhanced business review

There has been an increase in revenue between 2017 and 2018 and a reduction in costs, driving up the gross and operating margins. This is primarily due to a one off sales transaction in 2018.

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

|                  | Unit | 2018 | 2017 |
|------------------|------|------|------|
| Operating margin | %    | 17   | 2    |
| Gross margin     | %    | 51   | 33   |

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.

## **NBC Universal Global Networks UK Limited**

### **Strategic Report for the Year Ended 31 December 2018**

#### **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.

#### **Future developments**

As part of a group restructuring exercise to improve synergies following the acquisition in October 2018 of Sky Limited by the Company's ultimate parent undertaking, Comcast Corporation, the intention is that on 1 July 2019 NBCUniversal International Networks Holdings Limited ("NINHL") will distribute its investment in NBCUniversal Global Networks UK Limited at book value as a dividend in specie to NINHL's parent company, Universal Studios International BV. This will not impact the business as a going concern.

Approved by the Board on 27 June 2019 and signed on its behalf by:



.....  
G R Cade  
Director

## **NBC Universal Global Networks UK Limited**

### **Directors' Report for the Year Ended 31 December 2018**

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 2018.

#### **Future developments**

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

#### **Important non adjusting events after the financial period**

In relation to the restructuring discussed in the strategic report, effective as of 24 April 2019, the 25,000 Ordinary Shares of £1 each were sub-divided into 100,000 ordinary shares of £0.25 each.

A dividend of £5,000,000 was declared on 28 May 2019.

#### **Financial risk management objectives and policies**

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

#### **Dividends**

The directors did not declare a final dividend for the year (2017: £nil).

The directors declared an interim dividend of £5,000,000 (2017: £nil).

#### **Directors of the company**

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

S J White (resigned 18 March 2019)

S S Brainch (resigned 23 October 2018)

O Canning

L K Raftery

The following director was appointed after the year end:

G R Cade (appointed 11 March 2019)

#### **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 a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual 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.

## **NBC Universal Global Networks UK Limited**

### **Directors' Report for the Year Ended 31 December 2018**

#### **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 27 June 2019 and signed on its behalf by:



.....  
G R Cade

## **NBC Universal Global Networks 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.



## **NBC Universal Global Networks UK Limited**

### **Independent Auditor's Report to the Members of NBC Universal Global Networks UK Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of NBC Universal Global Networks UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

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

##### **Basis for opinion**

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

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

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

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

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

We have nothing to report in respect of these matters.

##### **Other information**

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

## **NBC Universal Global Networks UK Limited**

### **Independent Auditor's Report to the Members of NBC Universal Global Networks UK Limited**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of directors**

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

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

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

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

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

#### **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.

**NBC Universal Global Networks UK Limited**

**Independent Auditor's Report to the Members of NBC Universal Global Networks UK Limited**

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

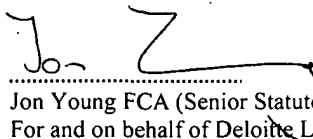
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

**Use of our report**

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



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

London, UK

27 June 2019

**NBC Universal Global Networks UK Limited**

**Profit and Loss Account for the Year Ended 31 December 2018**

|  | <b>Note</b> | <b>2018<br/>£ 000</b> | <b>2017<br/>£ 000</b> |
|--|-------------|-----------------------|-----------------------|
| Turnover                               | 3           | 41,027                | 36,879                |
| Cost of sales                          |             | <u>(20,029)</u>       | <u>(24,701)</u>       |
| Gross profit                           |             | 20,998                | 12,178                |
| Administrative expenses                |             | <u>(13,906)</u>       | <u>(11,398)</u>       |
| Operating profit                       | 4           | <u>7,092</u>          | <u>780</u>            |
| Interest receivable and similar income | 5           | 132                   | 125                   |
| Interest payable and similar expenses  | 6           | <u>(14)</u>           | <u>(65)</u>           |
|  |             | <u>118</u>            | <u>60</u>             |
| Profit before taxation                 |             | 7,210                 | 840                   |
| Tax (expense) / credit                 | 9           | <u>(1,210)</u>        | <u>(154)</u>          |
| Profit for the financial year          |             | <u><u>6,000</u></u>   | <u><u>686</u></u>     |

The above results were derived from continuing operations.

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

The notes on pages 14 to 23 form an integral part of these financial statements.

**NBC Universal Global Networks UK Limited**

**Statement of Other Comprehensive Income for the Year Ended 31 December 2018**

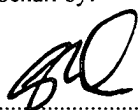
|   | <b>2018</b><br><b>£ 000</b> | <b>2017</b><br><b>£ 000</b> |
|---|-----------------------------|-----------------------------|
| Profit for the year                     | <u>6,000</u>                | <u>686</u>                  |
| Total comprehensive income for the year | <u><u>6,000</u></u>         | <u><u>686</u></u>           |

**NBC Universal Global Networks UK Limited**

**(Registration number: 03522943)  
Balance Sheet as at 31 December 2018**

|  | Note | 2018<br>£ 000   | 2017<br>£ 000   |
|--|------|-----------------|-----------------|
| <b>Fixed assets</b>  |      |                 |                 |
| Intangible assets  | 10   | 19,442          | 20,991          |
| <b>Current assets</b>  |      |                 |                 |
| Debtors  | 11   | 29,831          | 24,279          |
| <b>Creditors: Amounts falling due within one year</b>          | 12   | <u>(22,197)</u> | <u>(20,115)</u> |
| <b>Net current assets</b>                                      |      | <u>7,634</u>    | <u>4,164</u>    |
| <b>Total assets less current liabilities</b>                   |      | 27,076          | 25,155          |
| <b>Creditors: Amounts falling due after more than one year</b> | 12   | <u>(1,651)</u>  | <u>(730)</u>    |
| <b>Net assets</b>  |      | <u>25,425</u>   | <u>24,425</u>   |
| <b>Capital and reserves</b>                                    |      |                 |                 |
| Called up share capital  | 13   | 25              | 25              |
| Share premium reserve  | 14   | 19,224          | 19,224          |
| Profit and loss account  | 14   | <u>6,176</u>    | <u>5,176</u>    |
| <b>Shareholder's funds</b>                                     |      | <u>25,425</u>   | <u>24,425</u>   |

The financial statements have been approved and authorised for issue by the Board on 27 June 2019 and signed on its behalf by:



.....  
G R Cade  
Director

**NBC Universal Global Networks UK Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2018**

|                            | <b>Share capital<br/>£ 000</b> | <b>Share premium<br/>£ 000</b> | <b>Profit and loss<br/>account<br/>£ 000</b> | <b>Total<br/>£ 000</b> |
|----------------------------|--------------------------------|--------------------------------|--|------------------------|
| At 1 January 2017          | 25                             | 19,224                         | 4,490  | 23,739                 |
| Profit for the year        | -                              | -                              | 686  | 686                    |
| Total comprehensive income | -                              | -                              | 686  | 686                    |
| At 31 December 2017        | 25                             | 19,224                         | 5,176  | 24,425                 |

|                            | <b>Share capital<br/>£ 000</b> | <b>Share premium<br/>£ 000</b> | <b>Retained<br/>earnings<br/>£ 000</b> | <b>Total<br/>£ 000</b> |
|----------------------------|--------------------------------|--------------------------------|--|------------------------|
| At 1 January 2018          | 25                             | 19,224                         | 5,176                                  | 24,425                 |
| Profit for the year        | -                              | -                              | 6,000                                  | 6,000                  |
| Total comprehensive income | -                              | -                              | 6,000                                  | 6,000                  |
| Dividends                  | -                              | -                              | (5,000)                                | (5,000)                |
| At 31 December 2018        | 25                             | 19,224                         | 6,176                                  | 25,425                 |

The notes on pages 14 to 23 form an integral part of these financial statements.

## **NBC Universal Global Networks UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **1 General information**

The Company's principal activity is the management of several UK television broadcasting channels which are aired in the UK and Ireland across subscription platforms. The entity is a private company limited by shares, incorporated in the United Kingdom and domiciled in England & Wales.

The address of its registered office is 1 Central St Giles, St Giles High Street, London, WC2H 8NU.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

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

##### **Basis of preparation**

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

The functional currency of NBC Universal Global Networks UK Limited is pounds sterling because that is the currency of the primary economic environment in which the company operates.

##### **Summary of disclosure exemptions**

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

##### **Going concern**

The directors have reviewed the current financial performance and position of the company, including the arrangements with group undertakings.

On the basis of their assessment of the company's current financial performance and position, the directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and hence continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Judgements**

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

Determining whether there are indicators of impairment of the company's intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset. The Company's intangible assets were impaired during the year, by an amount of £871,000 (2017: £2,764,000); refer to note 10.

##### **Key sources of estimation uncertainty**



## **NBC Universal Global Networks UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

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

#### **Turnover**

Turnover represents amounts chargeable in respect of the sale of television channel distribution and advertising airtime to customers, and is recognised when the service has been delivered. Turnover is shown net Value Added Tax.

The company recognises revenue when, the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

#### **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.

#### **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 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.

## NBC Universal Global Networks UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 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.

#### Intangible assets

Intangible assets comprises of programming and any associated subtitling and dubbing costs. These are capitalised at cost and are amortised in equal instalments over the period of the licence. An impairment provision is made to write off the cost of the programmes and any associated subtitling and dubbing costs, where the programme is not planned to be transmitted during the remaining licensing period.

Other intangible assets comprise of software and have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

| Asset class            | Amortisation method and rate           |
|------------------------|--|
| Programming            | Equally over the period of the licence |
| Subtitling and dubbing | Equally over the period of the licence |
| Software               | 33% per annum straight line            |

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or 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.

## **NBC Universal Global Networks UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **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.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

## NBC Universal Global Networks UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 3 Turnover

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

|               | 2018<br>£ 000 | 2017<br>£ 000 |
|---------------|---------------|---------------|
| Ad Sales      | 19,495        | 20,024        |
| Subscriptions | 16,916        | 16,736        |
| Other Revenue | 4,616         | 119           |
|               | <u>41,027</u> | <u>36,879</u> |

An analysis of turnover by geographical market is given below:

|                        | 2018<br>£ 000 | 2017<br>£ 000 |
|------------------------|---------------|---------------|
| UK                     | 39,165        | 34,965        |
| Rest of European Union | 1,862         | 1,914         |
|                        | <u>41,027</u> | <u>36,879</u> |

#### 4 Operating profit

Arrived at after charging/(crediting)

|                                   | 2018<br>£ 000 | 2017<br>£ 000 |
|-----------------------------------|---------------|---------------|
| Amortisation expense              | 14,958        | 15,459        |
| Impairment                        | 871           | 2,764         |
| Other income                      | -             | (3,854)       |
| Foreign exchange losses / (gains) | 313           | (677)         |

#### 5 Interest receivable and similar income

|                               | 2018<br>£ 000 | 2017<br>£ 000 |
|-------------------------------|---------------|---------------|
| Interest from group companies | <u>132</u>    | <u>125</u>    |

#### 6 Interest payable and similar expenses

|   | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---------------|---------------|
| Interest on loans from group undertakings | <u>14</u>     | <u>65</u>     |

## NBC Universal Global Networks UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 7 Auditors' remuneration

|                                   | 2018<br>£ 000 | 2017<br>£ 000 |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | <u>25</u>     | <u>23</u>     |

There were no fees payable to the company's auditor for non-audit services during the period.

#### 8 Staff costs and directors' remuneration

In the current and prior year the company has no employees except for directors. All of the directors received compensation was borne by other NBCUniversal group companies in the current and prior year.

#### 9 Taxation

Tax (credited) / charged in the income statement

|   | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---------------|---------------|
| <b>Current taxation</b>                                     |               |               |
| UK corporation tax  | 1,367         | 160           |
| UK corporation tax adjustment to prior periods              | <u>(160)</u>  | <u>(8)</u>    |
|   | <u>1,207</u>  | <u>152</u>    |
| <b>Deferred taxation</b>                                    |               |               |
| Arising from origination and reversal of timing differences | 2             | 2             |
| Arising from changes in tax rates and laws                  | <u>1</u>      | <u>-</u>      |
| Total deferred taxation                                     | <u>3</u>      | <u>2</u>      |
| Tax expense in the income statement                         | <u>1,210</u>  | <u>154</u>    |

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax 19% (2017 - 19.25%) to the profit before tax is as follows:

## NBC Universal Global Networks UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

|   | 2018<br>£ 000 | 2017<br>£ 000          |
|---|---------------|------------------------|
| Profit before tax   | <u>7,210</u>  | <u>840</u>             |
| Corporation tax at standard rate  | 1,370         | 162                    |
| Effect of income exempt from taxation   | (1)           | -                      |
| Deferred tax expense (credit) relating to changes in tax rates or laws              | 1             | -                      |
| Adjustment for prior periods  | <u>(160)</u>  | <u>(8)</u>             |
| Total tax charge  | <u>1,210</u>  | <u>154</u>             |
| <b>Deferred tax</b>   |               |                        |
| Deferred tax assets and liabilities   |               |                        |
| <b>2018</b>   |               | <b>Asset<br/>£ 000</b> |
| Difference between accumulated depreciation and amortisation and capital allowances |               | 7                      |
| Other timing differences  |               | <u>-</u>               |
|   |               | <u>7</u>               |
| <b>2017</b>   |               | <b>Asset<br/>£ 000</b> |
| Difference between accumulated depreciation and amortisation and capital allowances |               | 9                      |
| Other timing differences  |               | <u>-</u>               |
|   |               | <u>9</u>               |

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £1,249 (2017: £2,017).

The rate of UK corporation tax that was in effect at the balance sheet date was 19%. The UK corporation tax rate reduced from 20% to 19% on 1 April 2017 and will change to 17% from 1 April 2020.

Deferred tax assets and liabilities on all timing differences have been calculated at the rate at which they are expected to reverse.

## NBC Universal Global Networks UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 10 Intangible assets

|                                      | Programming<br>£ 000 | Subtitling and<br>dubbing costs<br>£ 000 | Other<br>intangible<br>assets<br>£ 000 | Total<br>£ 000 |
|--------------------------------------|----------------------|--|--|----------------|
| <b>Cost</b>                          |                      |  |  |                |
| At 1 January 2018                    | 43,654               | 885                                      | 276                                    | 44,815         |
| Additions                            | 14,197               | 71                                       | 12                                     | 14,280         |
| Disposals                            | (16,338)             | (833)                                    | -                                      | (17,171)       |
| At 31 December 2018                  | <u>41,513</u>        | <u>123</u>                               | <u>288</u>                             | <u>41,924</u>  |
| <b>Amortisation</b>                  |                      |  |  |                |
| At 1 January 2018                    | 22,969               | 810                                      | 45                                     | 23,824         |
| Amortisation charge                  | 14,763               | 116                                      | 79                                     | 14,958         |
| Amortisation eliminated on disposals | (16,338)             | (833)                                    | -                                      | (17,171)       |
| Impairment                           | 871                  | -  | -                                      | 871            |
| At 31 December 2018                  | <u>22,265</u>        | <u>93</u>                                | <u>124</u>                             | <u>22,482</u>  |
| <b>Carrying amount</b>               |                      |  |  |                |
| At 31 December 2018                  | <u>19,248</u>        | <u>30</u>                                | <u>164</u>                             | <u>19,442</u>  |
| At 31 December 2017                  | <u>20,685</u>        | <u>75</u>                                | <u>231</u>                             | <u>20,991</u>  |

An impairment review indicated that the company's intangible assets carrying value exceeded the recoverable value by £871,000 (2017: £2,764,000 ) and consequently has been written down by this value.

#### 11 Debtors

|   | Note | 2018<br>£ 000 | 2017<br>£ 000 |
|---|------|---------------|---------------|
| Trade debtors                             |      | 3,541         | 3,104         |
| Owed by group undertakings                |      | 19,618        | 15,907        |
| Accrued income                            |      | 5,124         | 5,014         |
| Other receivables                         |      | 1,541         | 245           |
| Deferred tax assets                       | 9    | <u>7</u>      | <u>9</u>      |
| Total current trade and other receivables |      | <u>29,831</u> | <u>24,279</u> |

The balance owed by group undertakings includes £19,618,000 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.

## NBC Universal Global Networks UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 12 Creditors

|                                 | Note | 2018<br>£ 000 | 2017<br>£ 000 |
|---------------------------------|------|---------------|---------------|
| <b>Due within one year</b>      |      |               |               |
| Trade creditors                 |      | 8,753         | 5,729         |
| Income tax liability            | 9    | 1,367         | 160           |
| Accruals and deferred income    |      | 2,725         | 2,387         |
| Owed to group undertakings      |      | 8,138         | 11,013        |
| Other taxes and social security |      | 1,214         | 826           |
|                                 |      | <u>22,197</u> | <u>20,115</u> |
| <b>Due after one year</b>       |      |               |               |
| Other non-current liabilities   |      | <u>1,651</u>  | <u>730</u>    |

All non-current creditor balances relate to Programming Commitments. The terms of payments for the non-current creditor balances are less than 5 years.

The amounts owed to group undertakings includes £5,005,000 to parent companies and £3,133,000 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.

#### 13 Share capital

##### Allotted, called up and fully paid shares

|                            | 2018          |               | 2017          |               |
|----------------------------|---------------|---------------|---------------|---------------|
|                            | No.           | £             | No.           | £             |
| Ordinary shares of £1 each | <u>25,000</u> | <u>25,000</u> | <u>25,000</u> | <u>25,000</u> |



## **NBC Universal Global Networks UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **14 Reserves**

##### **Share premium reserve**

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

##### **Profit and loss account**

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

#### **15 Commitments**

##### **Capital commitments**

The total amount contracted for but not provided in the financial statements was £5,158,000 (2017: £5,695,000).

#### **16 Parent and ultimate parent undertaking**

The company's immediate parent is NBCUniversal International Networks Holdings Limited (formerly Sparrowhawk Media Services Limited), incorporated in England and Wales.

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

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

#### **17 Subsequent events**

In relation to the restructuring discussed in the strategic report, effective as of 24 April 2019, the 25,000 Ordinary Shares of £1 each were sub-divided into 100,000 ordinary shares of £0.25 each.

A dividend of £5,000,000 was declared on 28 May 2019.