INTERNATIONAL CHANNEL PACK DISTRIBUTION LIMITED (FORMERLY FULLSTREAM INTERNATIONAL LIMITED)

Report and financial statements
For the period from incorporation on 19 February 2015 to 30 June 2016

Registered number: 09448007

Directors and Officers

For the period from incorporation on 19 February 2015 to 30 June 2016

Directors

International Channel Pack Distribution Limited's ("the Company's") present Directors and those who served during the period are as follows:

C R Jones (appointed 19 February 2015)
C J Taylor (appointed 19 February 2015)
K Holmes (appointed 21 October 2016)

Secretary

C J Taylor (appointed 19 February 2015)

Registered office

Grant Way
Isleworth
Middlesex
TW7 5QD

Auditor

Deloitte LLP
Chartered Accountants
London
United Kingdom

Strategic and Directors' Report

Strategic Report

The Directors present their Strategic and Directors' report on the affairs of the Company, together with the financial statements and Auditor's Report for the period from incorporation on 19 February 2015 to 30 June 2016.

The purpose of the Strategic Report is to inform members of the Company and help them assess how the Directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the Company).

Business review and principal activities

International Channel Pack Distribution Ltd (formally Fullstream International Ltd) is a wholly owned subsidiary of Sky UK Limited.

The Company was incorporated on 19 February 2015. The Company's principal activities are to aggregate and distribute linear OTT content in European territories, via foreign language packs (Asia Pack for example). We are operating a revenue share model with Cisco (One Mainstream), device platforms and the content providers.
The audited accounts for the period are set out on pages 6 to 11. The profit for the period was €nil.

Revenue for the period was €50,000 and operating expenses were €50,000, which is in line with management's expectations. No dividend was paid to shareholders during this period. The balance sheet shows the Company's shareholder equity position at the year-end was €nil.

Key performance indicators (KPIs)

The Group manages its operations on a divisional basis and the KPIs used are as reported in the Group Annual Report. The Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the Company.

Principal risks and uncertainties

The Company's activities expose it to financial risks, namely credit risk and liquidity risk. The Directors do not believe the Company is exposed to significant price risk, interest rate risk or foreign exchange.

Credit risk

The Company has no significant concentration of credit risk.

Liquidity risk

The Company relies on the Group Treasury function to manage its liquidity and ensure that sufficient funds are available for ongoing operations and future developments. The Group currently has access to an undrawn £1 billion revolving credit facility which is due to expire on 30 November 2021. The Company benefits from this liquidity through intra-group facilities and loans.

By Order of the Board,

K Holmes
Director

Grant Way
Isleworth
Middlesex
TW7 5QD

7 November 2016

Directors' Report

The Directors who served during the period are shown on page 1.

The Company has chosen, in accordance with section 414C(11) of Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic Report which otherwise would be required to be disclosed in the Director's report.

Going concern

The Company's business activities, together with the factors likely to affect its future development and performance are set out in the Business Review. The Strategic Report details the financial position of the Company, as well as the Company's objectives and policies, and details of its exposures to credit risk and liquidity risk. The Directors don't expect significant change to the principal activities or performance of the Company for the year to 30 June 2017.

After making enquiries, the Directors have formed a judgement at the time of approving the financial statements that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Auditor

In accordance with the provisions of Section 418 of the Companies Act 2006, each of the persons who are Directors of the Company at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them was approved by the Board of Directors on 7 November 2016.

By Order of the Board,

K Holmes
Director

Grant Way
Isleworth
Middlesex
TW7 5QD

7 November 2016

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 to 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.

Auditor's report

Independent Auditor's report to the members of INTERNATIONAL CHANNEL PACK DISTRIBUTION LIMITED:
We have audited the financial statements of International Channel Pack Distribution Limited for the period ended 30 June 2016 which comprise the Income Statement, the Balance Sheet, and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of Directors and auditor
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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 30 June 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB
As explained in note 1 to the financial statements, the Company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRSs as issued by the IASB.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Paul Franek

Paul Franek FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

7 November 2016

Income Statement

For the period ended 30 June 2016

	Notes	Period from 19 February 2015 to 30 June 2016 €'000
Revenue	2	**50**
Operating expense	3	**(50)**
Operating profit		**-**
Profit before tax		**-**
Tax		**-**
Profit for the period attributable to equity shareholder		**-**

The accompanying notes are an integral part of this Income Statement.

For the period from 19 February 2015 to 30 June 2016, the Company did not have any other items of Comprehensive Income and therefore no Statement of Comprehensive Income.

For the period from 19 February 2015 to 30 June 2016, the Company did not have any changes to equity and therefore no statement of changes to equity.

All results relate to continuing operations.

Balance Sheet

As at 30 June 2016

	Notes	30 June 2016 €'000
Current assets		
Trade and other receivables	6	**50**
		50
Total assets		**50**
Current liabilities		
Trade and other payables	7	**50**
		50
Total liabilities		**50**
Share capital	8	**-**
Reserves		**-**
Total equity attributable to equity shareholder		**-**
Total liabilities and shareholder's equity		**50**

The accompanying notes are an integral part of this Balance Sheet. As at 30 June 2016, the Company did not have any cash or cash equivalents. Accordingly, no cash flow statement or reconciliation of operating profit to cash flows from operating activities has been prepared.

These financial statements of International Channel Pack Distribution Limited, registered number 09448007, were approved by the Board of Directors on 07 November 2016 and were signed on its behalf by:

C R Jones
Director

07 November 2016

Notes to the financial statements

1. Accounting policies

International Channel Pack Distribution Limited (the "Company") is a limited liability company incorporated in the United Kingdom and registered in England and Wales.

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and the Companies Act 2006. In addition, the Company also complied with IFRS as issued by the International Accounting Standards Board ("IASB").

b) Basis of preparation

The financial statements have been prepared on a going concern basis (as set out in the Strategic and Directors' Report) and on a historical cost basis, except for the remeasurement to fair value of certain financial assets and liabilities as described in the accounting policies below. The Company has adopted the new accounting pronouncements which became effective this period, none of which had a significant impact on the Company's results or financial position.

c) Foreign currency translation

The Company's functional currency and presentational currency is euro. Trading activities denominated in foreign currencies are recorded in euro at the applicable monthly exchange rates. Monetary assets, liabilities and commitments denominated in foreign currencies at the balance sheet date are recorded at the rates of exchange at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the date of the initial transaction. Gains and losses on retranslation of assets and liabilities are included net in the profit or loss for the period.

d) Financial assets and liabilities

Financial assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. At each balance sheet date, the Company assesses whether there is any objective evidence that any financial asset is impaired. Financial assets and liabilities are recognised on the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the financial asset or liability. Financial assets are derecognised from the Balance Sheet when the Company's contractual rights to the cash flows expire or the Company transfers substantially all the risks and rewards of the financial asset. Financial liabilities are derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged, cancelled or expires.

e) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments and, where no stated interest rate is applicable, are measured at the original invoice amount, if the effect of discounting is immaterial. Where discounting is material, trade and other receivables are measured at amortised cost using the effective interest method. An allowance account is maintained to reduce the carrying value of trade and other receivables for impairment losses identified from objective evidence, with movements in the allowance account, either from increased impairment losses or reversals of impairment losses, being recognised in the Statement of Comprehensive Income.

f) Trade and other payables

Trade and other payables are non-derivative financial liabilities and are measured at amortised cost using the effective interest method. Trade and other payables, with no stated interest rate, are measured at the original invoice amount if the effect of discounting is immaterial.

Notes to the financial statements

1. Accounting policies (continued)

g) Revenue recognition (see note 2)

Revenue, which excludes value added tax, represents the gross inflow of economic benefit from the Company's operating activities. Revenue is measured at the fair value of the consideration received or receivable.

h) Tax, including deferred tax

The Company's liability for current tax is based on taxable profits for the period, and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profits. Temporary differences arising from goodwill and the initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit are not provided for.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that have been enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and adjusted to reflect an amount that is probable to be realised based on the weight of all available evidence. Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets and liabilities are not discounted. Deferred tax is charged or credited in the Statement of Comprehensive Income, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also included within equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i) Accounting Standards, interpretations and amendments to existing standards that are not yet effective

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after 1 July 2016 or later periods. These new pronouncements are listed below:

Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations" (effective 1 January 2016)*

Amendments to IAS 1 'Disclosure Initiative' (effective 1 January 2016)

Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation" (effective 1 January 2016)*

Annual Improvements 2012-2014 cycle (effective 1 July 2016)*

Amendments to IAS 7 'Disclosure Initiative' (effective 1 January 2017)*

Amendments to IAS 12 'Recognition of Deferred Tax Assets for unrealised Losses' (effective 1 January 2017)*

IFRS 15 "Revenue from Contracts with Customers" (effective 1 January 2018)*

Clarifications to IFRS 15 'Revenue from Contracts with Customers' (effective 1 January 2018)*

Notes to the financial statements

1. Accounting policies (continued)

i) Accounting Standards, interpretations and amendments to existing standards that are not yet effective (continued)

Amendments to IFRS 2 'Share-based Payments' (effective 1 January 2018)*

IFRS 9 "Financial Instruments" (effective 1 January 2018)*

IFRS 16 'Leases' (effective 1 January 2019)*

* not yet endorsed for use in the EU

The Directors are currently evaluating the impact of the adoption of these standards, amendments and interpretations in future periods.

j) Critical accounting policies and the use of judgement

Certain accounting policies are considered to be critical to the Company. An accounting policy is considered to be critical if its selection or application materially affects the Company's financial position or results. The Directors are required to use their judgement in order to select and apply the Company's critical accounting policies. They are no accounting policies considered critical to the Company.

2. Revenue

	Period from 19 February 2015 to 30 June 2016 €'000
Cost recharge	50
	50

Revenue is generated from a revenue share model with Cisco (One Mainstream), device platforms and the content providers and cost recharges. The cost recharge revenue is a recharge of the Channel Distributor fees with respect to the conversion and encoding of the satellite feeds of the channels in excess of £150,000. All revenue arises from services provided within the EU.

3. Operating expense

	Period from 19 February 2015 to 30 June 2016 €'000
Sales, general and administration	50
	50

4. Profit before tax

Audit fees

Amounts paid to the auditor for the audit of the Company's statutory accounts of £10,000 were borne by another Group subsidiary in 2016. No amounts for other services have been paid to the auditor.

Notes to the financial statements

5. Employee benefits and key management compensation

The average monthly number of full-time equivalent persons employed by the Company during the period was one. The Directors did not receive any remuneration during the period in respect of their services to the Company.

6. Trade and other receivables

	30 June 2016 €'000
Accrued income	50
Trade and other receivables	**50**

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

7. Trade and other payables

	30 June 2016 €'000
Trade payables	50
Trade and other payables	**50**

The Directors consider that the carrying amount of trade and other payables approximates their fair values. Trade payables principally comprise amounts outstanding for ongoing costs.

8. Share capital

	30 June 2016 €
Allotted, called-up and fully paid	
1 ordinary shares of £1 each	1

The Company has one class of ordinary shares which carry equal voting rights and no contractual right to receive payment.

9. Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of Sky UK Limited, a company incorporated in the United Kingdom and registered in England and Wales. The Company is ultimately controlled by Sky and operates together with Sky's other subsidiaries, as a part of the Group. The only group in which the results of the Company are consolidated is that headed by Sky plc.

The consolidated financial statements of the Group are available to the public and may be obtained from the Company Secretary, Sky plc, Grant Way, Isleworth, Middlesex, TW7 5QD.