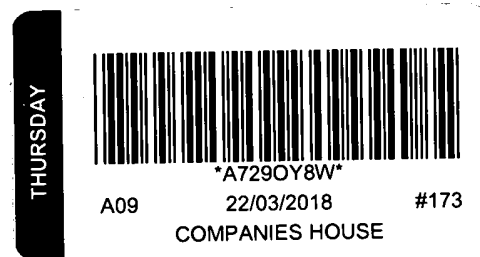


INTERNATIONAL CHANNEL PACK DISTRIBUTION LIMITED (FORMERLY FULLSTREAM INTERNATIONAL LIMITED)

Report and financial statements
For the year ended 30 June 2017

Registered number: 09448007



Directors and Officers

For the year ended 30 June 2017

Directors

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

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

Secretary
C J Taylor

Registered office

Grant Way
Isleworth
Middlesex
TW7 5QD

Auditor

Deloitte LLP
Statutory Auditor
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 year ended 30 June 2017.

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 is a wholly owned subsidiary of Sky UK Limited. The immediate parent company is Sky plc ("Sky") and operates together with Sky's other subsidiaries, as part of the Sky Group ("the Group").

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 €133,000 and operating expenses were €305,000 (2016: €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 €172,000 (2016: €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, with exposure spread over a large number of counterparties and customers.

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 a £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



14 March 2018

Strategic and Directors' Report (continued)

Directors' Report

The Directors who served during the period are shown on page 1. No dividend was proposed for the year ended 30 June 2017 (2016: £nil)

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.

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 ~~14~~ March 2018.

By Order of the Board,

K Holmes
Director

Grant Way
Isleworth
Middlesex
TW7 5QD



~~14~~ March 2018

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 that 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; 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 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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of International Channel Pack Distribution Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 10

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.

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 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.

Auditor's report

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.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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.

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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

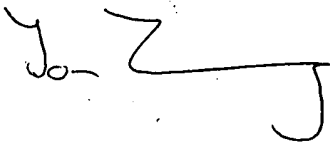
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.



Jon Young FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

14 March 2018

Income Statement

For the year ended 30 June 2017

	Notes	2017 € '000	2016 € '000
Revenue	2	133	50
Operating expense	3	(305)	(50)
Operating loss		(172)	-
Operating Loss before tax	4	(172)	-
Tax	6	-	-
Loss for the year attributable to equity shareholders		(172)	-

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

For the year ended 30 June 2016 and 30 June 2017, the Company did not have any other items of Comprehensive Income and therefore no Statement of Comprehensive Income.

All results relate to continuing operations.

Prior year data relates to a period from 19 February 2015 to 30 June 2016

Balance Sheet

For the year ended 30 June 2017

	Notes	2017 €'000	2016 €'000
Current assets			
Trade and other receivables	7	133	50
Total assets		133	50
Current liabilities			
Trade and other payables	8	305	50
Total liabilities		305	50
Share capital	9	-	-
Retained Earnings		(172)	-
Total equity attributable to equity shareholder		(172)	-
Total liabilities and shareholder's equity		133	50

The accompanying notes are an integral part of this Balance Sheet. As at 30 June 2017 and 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 14 March 2018 and were signed on its behalf by:



C R Jones
Director

14 March 2018

Statement of Changes in Equity

For the year ended 30 June 2017

	Share Capital €'000	Retained earnings €'000	Total shareholders' (deficit)/ equity €'000
At 09 February 2015	-	-	-
Result for the year	-	-	-
At 01 July 2016	-	-	-
Loss for the year	-	(172)	(172)
At 30 June 2017	-	(172)	(172)

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 at point of recognition.

h) 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 2017. These new pronouncements are listed below: The Directors are currently evaluating the impact of the adoption of these standards, amendments and interpretations in future periods.

- 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)*
- Amendments to IFRS 2 '*Share-based Payments*' (effective 1 January 2018)*
- IFRIC 22 '*Foreign Currency Transactions and Advanced Consideration*' (effective 1 January 2018)*
- Amendments to IFRS 4 '*Insurance contracts*' (effective 1 January 2018)*
- Amendments to IAS 40 '*Investment Properties*' (effective 1 January 2018)*
- IFRS 15 '*Revenue from Contracts with Customers*' (effective 1 January 2018) and is effective on the Group from 1 July 18 onwards.
- IFRS 9 '*Financial Instruments*' (effective 1 January 2018) and is effective on the Group from 1 July 2018 onwards.
- IFRS 16 '*Leases*' (effective 1 January 2019)* and is effective on the Group from 1 July 2019 onwards

Notes to the financial statements

Accounting policies (continued)

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

- IFRS 17 'Insurance Contracts' (effective 1 January 2021)*

*not yet endorsed for use in the EU

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

	2017 €'000	2016 €'000
Cost recharge	130	50
One Mainstream	3	0
	133	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 UK and the rest of Europe.

3. Operating expense

	2017 €'000	2016 €'000
Sales, general and administration	(305)	(50)
	(305)	(50)

4. Operating Loss before tax

Loss before tax is stated after charging:

Audit fees

Amounts paid to the auditor for the audit of the Company's financial statements of €11,600 (2016: €13,400) were borne by another Group subsidiary in 2017. 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 (2016: one).

The Directors did not receive any remuneration during the period (2016: £nil) in respect of their services to the Company.

6. Tax

a) Tax recognised in the Statement of Comprehensive Income

	2017	2016
	€'000	€'000
Tax	-	-

b) Reconciliation of effective tax rate

The tax credit for the year is lower than the credit that would have been recognised using the blended rate of corporation tax in the UK of 19.75% (2016: 20.0%) applied to profit / loss before tax. The differences are explained below:

	2017	2016
	€'000	€'000
(Loss)/Profit before tax	(172)	-
(Loss)/Profit before tax multiplied by blended rate of corporation tax in the UK of 19.75% (2016: 20%)	(34)	-
Effects of:		
Group relief/surrendered for no consideration	34	-
Tax	-	-

All tax relates to UK corporation tax and is settled by Sky UK Limited on the Company's behalf.

7. Trade and other receivables

	2017	2016
	€'000	€'000
Accrued income	133	50
Trade and other receivables	133	50

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

8. Trade and other payables

	2017	2016
	€'000	€'000
Amounts owed to other Group companies	(175)	(50)
Accrual	(130)	-
Trade and other payables	(305)	(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.

Notes to the financial statements

9. Share capital

	2017	2016
	€	€
Allotted, called-up and fully paid		
1 ordinary shares of £1 each	1	1

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

10. 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 plc (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.