

**LGCI HOLDINGS LIMITED**

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



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## LGCI HOLDINGS LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	S J C Freer E J Wolfe
<b>Registered number</b>	09458929
<b>Registered office</b>	Griffin House 161 Hammersmith Road London United Kingdom W6 8BS
<b>Independent auditor</b>	KPMG LLP 1 Sovereign Square Sovereign Square Leeds LS1 4DA

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## LGCI HOLDINGS LIMITED

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### CONTENTS

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	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report to the member of LGCI Holdings Limited	6 - 7
Profit and loss account and statement of other comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 16

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## LGCI HOLDINGS LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Principal activities and business review

The principal activity of the company during the year was, and will continue to be, that of a holding company for Formula E Holdings Limited. Formula E Holdings Limited is the promoter of the FIA Formula E Championship (Formula E), a class of motor racing that uses only electric-powered vehicles. Further details can be found on the Formula E website [www.fiaformulae.com](http://www.fiaformulae.com).

The company is a wholly owned subsidiary of Liberty Global plc (Liberty Global).

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

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

The directors do not use key performance indicators (KPI's) to assess the performance of the company as its principal activity is that of a holding company.

#### Principal risks and uncertainties

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

#### *Brexit*

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

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

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

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

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

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## LGCI HOLDINGS LIMITED

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

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#### COVID-19

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

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

#### Future outlook

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

#### Section 172 Statement

This statement is intended to disclose how our directors have approached and met their responsibilities under s172 Companies Act 2006. In line with group's goal of enhancing the long-term value for the benefit of its shareholders, the directors of the company have been elected by our shareholders to oversee the management of the company, to help assure that the interests of our shareholders are served. The following factors are considered as part of group operations as a whole, to maintain highest standards of corporate governance, essential to our business integrity and performance:

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

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

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



**S J C Freer**  
Director

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## LGCI HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

#### Results and dividends

The loss for the year, after tax, amounted to \$1,983,000 (2018 - loss \$366,000).

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

#### Directors

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

S J C Freer  
E J Wolfe

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

#### Going concern

Notwithstanding net current liabilities of \$320,000 as at 31 December 2019 and a loss for the year then ended of \$1,983,000, the financial statements have been approved on the assumption that the company remains a going concern.

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

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

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

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

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

#### Disclosure of information to the Auditor

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

#### Auditor

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

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**LGCI HOLDINGS LIMITED**

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

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



**S J C Freer**  
Director

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## LGCI HOLDINGS LIMITED

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### DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

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

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

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



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LGCI HOLDINGS LIMITED

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### Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Going concern

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

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

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

### Strategic Report and Directors' Report

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

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

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

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LGCI HOLDINGS LIMITED (CONTINUED)

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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



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

17 September 2020

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**LGCI HOLDINGS LIMITED**

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

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	Note	2019 \$000	2018 \$000
Administrative income		2,199	3,193
<b>Operating profit</b>	4	<u>2,199</u>	<u>3,193</u>
Interest receivable and similar income	6	1	1
Interest payable and similar expenses	7	<u>(4,183)</u>	<u>(3,560)</u>
<b>Loss before tax</b>		<u>(1,983)</u>	<u>(366)</u>
Tax on loss	8	-	-
<b>Loss for the financial year</b>		<u><u>(1,983)</u></u>	<u><u>(366)</u></u>

The notes on pages 11 to 16 form part of these financial statements.

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

All results were derived from continuing operations.

**LGCI HOLDINGS LIMITED**  
**REGISTERED NUMBER:09458929**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 \$000	2018 \$000
<b>Fixed assets</b>			
Investments	9	122,473	63,879
<b>Current assets</b>			
Debtors due within one year	10	15	31
Cash at bank and in hand		251	216
		266	247
Creditors: amounts falling due within one year	11	(586)	(3,676)
<b>Net current liabilities</b>		(320)	(3,429)
<b>Total assets less current liabilities</b>		122,153	60,450
Creditors: amounts falling due after more than one year	12	(16,037)	(66,147)
<b>Net assets/(liabilities)</b>		106,116	(5,697)
<b>Capital and reserves</b>			
Share capital	13	-	-
Share premium account	14	113,796	-
Accumulated losses	14	(7,680)	(5,697)
<b>Total shareholder's fund/ (Deficit)</b>		106,116	(5,697)

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



**S J C Freer**  
Director

The notes on pages 11 to 16 form part of these financial statements.

**LGCI HOLDINGS LIMITED**

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

	Share capital	Share premium account	Accumulated losses	(Deficit) / Total shareholder's fund
	\$000	\$000	\$000	\$000
At 1 January 2019	-	-	(5,697)	(5,697)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,983)	(1,983)
<b>Total comprehensive income for the year</b>	-	-	(1,983)	(1,983)
Issue of share capital	-	113,796	-	113,796
<b>At 31 December 2019</b>	-	113,796	(7,680)	106,116

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

	Share capital	Accumulated losses	Deficit
	\$000	\$000	\$000
At 1 January 2018	-	(5,331)	(5,331)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(366)	(366)
<b>Total comprehensive income for the year</b>	-	(366)	(366)
<b>At 31 December 2018</b>	-	(5,697)	(5,697)

The notes on pages 11 to 16 form part of these financial statements.

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## LGCI HOLDINGS LIMITED

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

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#### 1. Company information

LGCI Holdings Limited (the "company") is a private company incorporated, domiciled and registered in the UK. The registered number is 09458929. The registered address is Griffin House, 161 Hammersmith Road, London, W6 8BS.

#### 2. Accounting policies

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

##### 2.1 Basis of accounting

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

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

The financial statements are presented in US dollars ("\$\$") and rounded to the nearest thousand.

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

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

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

##### 2.2 Going concern

Notwithstanding net current liabilities of \$320,000 as at 31 December 2019 and a loss for the year then ended of \$1,983,000, the financial statements have been approved on the assumption that the company remains a going concern.

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

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

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

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

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## LGCI HOLDINGS LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.2 Going concern (continued)

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

##### 2.3 Investments

Investments are recorded at cost, less provision for impairment as appropriate. The company assesses at each reporting date whether there is an indication that an investment may be impaired. If any such indication exists, the company makes an estimate of the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. A previously recognised impairment loss is reversed only if there was an event not foreseen in the original impairment calculations, such as a change in use of the investment or a change in economic conditions. The reversal of impairment loss would be to the extent of the lower of the recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years.

##### 2.4 Trade and other debtors

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

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

##### 2.5 Cash and cash equivalents

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

##### 2.6 Foreign currencies

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

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

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

##### **Carrying value of investments**

Investments are held at cost less any necessary provision for impairment. Where the impairment assessment did not provide any indication of impairment, no provision is required. If any such indications exist, the carrying value of an investment is written down to its recoverable amount.

##### **Recoverability of intercompany debtors**

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

# LGCI HOLDINGS LIMITED

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

### 4. Operating profit

The operating profit is stated after crediting:

	2019 \$000	2018 \$000
Net gain on foreign exchange transactions	2,396	3,398

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

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

Auditor's remuneration of \$12,200 (£9,200) (2018 - \$11,700 (£9,200)) represents costs attributed to the company, all of which is borne by a fellow Liberty Global group undertaking that pays all auditor's remuneration on behalf of the group.

### 5. Staff costs

The company does not have any directly employed staff and is not charged an allocation of staff costs by the group.

### 6. Interest receivable and similar income

	2019 \$000	2018 \$000
Other interest receivable	1	1

### 7. Interest payable and similar expenses

	2019 \$000	2018 \$000
Interest payable on amounts owed to group undertakings	4,183	3,560

### 8. Tax on loss

	2019 \$000	2018 \$000
Current tax	-	-
Total current tax	-	-
Deferred tax	-	-
Total deferred tax	-	-
Tax on loss	-	-



## LGCI HOLDINGS LIMITED

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

#### 8. Tax on loss (continued)

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

	2019 \$000	2018 \$000
Loss before tax	(1,983)	(366)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(377)	(70)
Effects of:		
Expenses not deductible for tax purposes	38	8
Group relief surrendered without payment	339	62
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

#### Factors affecting current and future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on the company's future current tax.

#### 9. Investments

	Investment in associate \$000
<b>Cost</b>	
At 1 January 2019	63,879
Additions	58,594
<b>At 31 December 2019</b>	<b>122,473</b>
<b>Net book value</b>	
<b>At 31 December 2019</b>	<b>122,473</b>
At 31 December 2018	63,879

The investment in associate in which the company holds is unlisted and represents 34.7% interest in Formula E Holdings Limited, a holding company that is registered at Level 54, Hopewell Centre, 183 Queens Road East, Hong Kong. The interest held includes A Preferred Shares, B Preferred Shares, Ordinary Shares, Base Shares and Growth Shares.

During 2019, the company has acquired additional shares for a total of \$58,594,000.

In the opinion of the directors the aggregate value of the investments in associate is not less than the amount at which they are stated in the financial statements.

# LGCI HOLDINGS LIMITED

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

### 10. Debtors

	2019 \$000	2018 \$000
<b>Due within one year</b>		
Amounts owed by group undertakings	15	-
Other debtors	-	31
	<u>15</u>	<u>31</u>

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

### 11. Creditors: amounts falling due within one year

	2019 \$000	2018 \$000
Amounts owed to group undertakings	586	3,676
	<u>586</u>	<u>3,676</u>

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

### 12. Creditors: amounts falling due after more than one year

	2019 \$000	2018 \$000
Amounts owed to group undertakings	16,037	66,147
	<u>16,037</u>	<u>66,147</u>

Amounts owed to group undertakings falling due after more than one year represent loan notes which had a carrying value of \$16,037,000 (2018 - \$66,147,000) at the balance sheet date. Loan notes are denominated in Euros, bear interest of 5.16% and mature in 2024.

### 13. Share capital

	2019 \$	2018 \$
<b>Allotted, called up and fully paid</b>		
3 (2018 - 1) Ordinary shares of £1 each	4	2
	<u>4</u>	<u>2</u>

On 23 October 2019, the company issued 2 ordinary shares for consideration of €102,326,000 (\$113,796,000).

### 14. Reserves

#### Share premium account

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

#### Accumulated losses

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

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## LGCI HOLDINGS LIMITED

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

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#### 15. Post balance sheet events

##### COVID-19

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

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

#### 16. Parent undertaking and controlling party

The company's immediate parent undertaking and controlling party is Liberty Global plc, a company incorporated in the UK.

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

Copies of the 2019 Liberty Global Annual Report which includes the result of the company is available on Liberty Global's website at [www.libertyglobal.com](http://www.libertyglobal.com), or from the company secretary, Liberty Global plc, Griffin House, 161 Hammersmith Road, London, United Kingdom, W6 8BS.