

## **UKTV Media Holdings Limited**

Annual report and financial statements

Registered number 07596400

For the period ended 31 March 2020



UKTV Media Holdings Limited  
Directors' report and financial statements  
For the period ended 31 March 2020

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## Strategic report

The directors present their annual reports and audited financial statements of UKTV Media Holdings Limited (the 'Company') for the period ended 31 March 2020.

### Principal activity and business review

The principal activity of the Company is a holding company in respect of its investment in 100% holdings of UKTV Media Limited (the 'Subsidiary') and the report below details this subsidiary. No dividends were received during the period (*4 June 2019: £nil*) and consequently no dividends were paid to its immediate parent, BBC Studios Distribution Limited.

The principal activity of the Subsidiary during the period continued to be to operate eight TV brands: Dave, Gold, W, Alibi, Drama, Yesterday, Eden, and UKTV Play, broadcasting across pay, free-to-air and digital platforms.

The Board of Directors considers that the key performance indicators of the Subsidiary are measured against operating profit and share of commercial impacts ('SOCI'). SOCI measures the Subsidiary's share of the commercial TV audience and one commercial impact is defined as one advert viewed by one person once.

On 4 June 2019, the joint venture parent companies at that time BBC Studios Distribution Limited (a wholly-owned subsidiary of the BBC) and Discovery Inc and its subsidiaries executed a business transfer agreement pertaining to the demerger of the business and assets owned by UKTV Media Limited. Under this agreement, UKTV Media Limited retained the 'Entertainment' part of its business, being the business and assets of Dave, Gold, alibi, W, Yesterday, Drama, Eden and UKTV Play and the 'Lifestyle' part of its business, being the business and assets of Really, Good Food and Home (together with a proportion of the debt owing to Scripps Networks Interactive Inc., 'the Lifestyle debt') transferred to a new company Lifestyle Newco Limited.

In June 2019, UKTV Media Holdings Limited became a wholly owned subsidiary of BBC Studios Distribution Limited and Lifestyle Newco Limited became a wholly owned subsidiary of Discovery Inc.

Following the demerger, the Company changed its accounting period from a 31 December year end to a 31 March year end to align with its ultimate parent company the BBC. This transition was achieved by creating two shortened accounting periods, the prior period covering the period prior to the demerger from 1 January 2019 to 4 June 2019 and the current period, for which this report has been prepared, to cover the period post demerger from 5 June 2019 to 31 March 2020.

### Significant events

During the period, UKTV Media Holdings Limited became a wholly owned subsidiary of BBC Studios Distribution Limited and Lifestyle Newco Limited became a wholly owned subsidiary of Discovery Inc.

## Strategic report (*continued*)

### Principal risks and uncertainties

The major risks for the Subsidiary in the short to medium term are:

- 1) **Competition.** The Subsidiary operates in a highly competitive environment. The Subsidiary is committed to obtaining the best programming content available in order to retain its strong market share, despite a challenging advertising market.
- 2) **Substitutes.** Technological advances are changing the way people access and view content resulting in a shift in viewing habits away from traditional linear broadcast TV. The Subsidiary continues to invest in and expand its business beyond the linear broadcasting environment.
- 3) **Reliance on key revenue streams.** The Subsidiary's key revenue streams come from subscription and advertising revenues. Therefore, a shift in market parameters or supplier relations could have a significant impact (positive or negative) on the business. Senior management is aware of this and seeks to identify ways to diversify and lessen the exposure.
- 4) **Brexit.** Uncertainty due to Brexit could damage consumer confidence and adversely impact subscription and advertising revenues. Senior management is aware of this; however, the outcome at this time is uncertain.
- 5) **COVID-19.** Coronavirus is expected to have a significant impact on the Subsidiary's trading performance in 2020/21, due to significant fall in the advertising markets. Coronavirus has significantly increased the inherent health and safety risk to staff, contributors and visitors. The pandemic also poses significant challenges and risks to the safety of the building, the finances and the technology, which are being monitored and managed on a real time basis. The Subsidiary has reacted swiftly, identifying and putting in mitigations to remain within financial parameters. Work is ongoing to minimise the overall financial impact through careful planning and reduction of discretionary spend to safeguard cash and profit where possible. The over-riding priority for the Subsidiary is to protect the health and wellbeing of its people and families, with extensive support available for those working from home and juggling childcare, and a focus on maintaining wellbeing in a stressful and uncertain climate.

### Future outlook

The Company will continue to act as a holding company in future years. The Subsidiary plans to continue to invest in content and promoting its channels, whilst looking to further grow its business in both linear broadcasting and video on demand. The Subsidiary will continue to strategically align with the BBC Studios Group.

By order of the board

DocuSigned by:  
  
6FDBEF52C39649E

**Anthony Corriette**  
Company Secretary

01 September 2020

10 Hammersmith Grove  
London, W6 7AP  
Registered number: 7596400  
2020

## Directors' report

### Going concern

Given its principal activity as a holding company, the going concern of the Company dependant on the performance of the Subsidiary. Due to the significant impact of COVID-19 on the Subsidiary's advertising revenues and increased uncertainty, a range of advertising market scenarios have been included in the Subsidiary's forecasts and projections to assist the directors in understanding the consequences. After reviewing these forecasts and projections, the directors have a reasonable expectation that the Subsidiary has adequate resources to continue in operational existence for the foreseeable future. The Subsidiary's remaining revenue streams are not significantly affected by COVID-19. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

### Dividends

During the period, ordinary dividends of £nil (*4 June 2019: £nil*), being equivalent to £nil (*4 June 2019: £nil*) per ordinary share were proposed and paid.

### Directors

The directors and officers who held office during the period and up to the date of this report are as follows:

Marcus Arthur	
Suzanne Burrows	(appointed 8 July 2019)
Bruce Campbell	(resigned 11 June 2019)
Stephen Davies	(resigned 2 July 2019)
Thomas Fussell	
Jean-Briac Perrette	(resigned 11 June 2019)

On 1 August 2019 Anthony Corriette was appointed as Secretary of the Company to replace Patricia Edmondson who resigned as Secretary on the previous day.

### Political and charitable contributions

During the period, the Company did not make any charitable donations (*4 June 2019: £nil*) and did not make any political contributions (*4 June 2019: £nil*).

### Section 172 statement

Section 172 of the Companies Act 2006 requires the Directors to act in the way they consider would most likely promote the success of the Company as a whole but having regard to a range of factors set out in section 172(1)(a)-(f) in the Companies Act 2006. In discharging their duties under section 172, the Directors have had a regard for these factors taking them into consideration when decisions are made. This includes:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

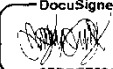
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## **Directors' report** *(continued)*

### **Disclosure of information to auditor**

The directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all 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 auditors are aware of that information.

By order of the board

DocuSigned by:  
  
6FDBEF52C39649E

**Anthony Corriette**  
*Company Secretary*

01 September 2020

10 Hammersmith Grove  
London, W6 7AP  
Registered number: 7596400  
2020

## Statement of directors' responsibilities

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 Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 their profit or loss for that period. In preparing each of the Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 either intend to liquidate the Company or to 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 parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Independent Auditor's Report to the Members of UKTV Media Holdings Limited**

### **Opinion on financial statements**

I have audited the financial statements of UKTV Media Holdings Limited for the period ended 31 March 2020 which comprise the profit and loss account, balance sheet, statement of changes in equity and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of the profit for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

### **Basis of opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of UKTV Media Holdings Limited in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- UKTV Media Holdings Limited's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- UKTV Media Holdings Limited have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about their 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.

### **Responsibilities of the directors for the financial statements**

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.
- such internal control as management determines 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, if applicable, matters relating 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**

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK).

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. 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.



## **Independent Auditor's Report to the Members of UKTV Media Holdings Limited** *(continued)*

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UKTV Media Holdings Limited's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- conclude on the appropriateness of UKTV Media Holdings Limited's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on UKTV Media Holdings Limited's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause UKTV Media Holdings Limited to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Other Information**

Directors' are responsible for the other information. The other information comprises information included in the annual report but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. [I have nothing to report in this regard.]

### **Opinion on other matters prescribed by the Companies Act 2006**

In my opinion:

- in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Strategic Report or the Directors' Report; and
- the information given in the Strategic and Directors' Report for the period for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements.

**Independent Auditor's Report to the Members of UKTV Media Holdings Limited**  
(continued)

**Matters on which I report by exception**

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept by the company, or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.



**Lewis Knights (Senior Statutory Auditor)**

**2 September 2020**

For and on behalf of the

**Comptroller and Auditor General (Statutory Auditor)**

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

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## Profit and loss account

*for the 10 month period ended 31 March 2020 (2019: 5 month period to 4 June 2019)*

	<i>Note</i>	<b>31 March 2020</b> <b>£'000</b>	4 June 2019 £'000
<b>Turnover</b>		-	-
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		-	-
Distribution costs		-	-
Administration expenses		-	-
		<hr/>	<hr/>
<b>Operating profit</b>		-	-
Impairment of fixed asset investments		-	(272,663)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		-	(272,663)
Tax on profit on ordinary activities		-	-
		<hr/>	<hr/>
<b>Loss for the financial period</b>		-	(272,663)
		<hr/> <hr/>	<hr/> <hr/>

Turnover and operating profit for the current period and prior financial period were £nil.

The Company has no recognised gains or losses for the current or prior financial periods other than those shown above and therefore no separate statement of comprehensive income has been prepared.

The notes on pages 12 to 16 form a part of these financial statements.

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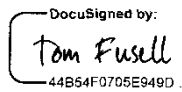
## Balance sheet

*for the 10 month period ended 31 March 2020 (2019: 5 month period to 4 June 2019)*

	Note	31 March 2020		4 June 2019	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments	4		277,337		277,337
<b>Current assets</b>					
Debtors: amounts falling due within one year	5	15		15	
		<u>15</u>		<u>15</u>	
<b>Net current assets</b>			15		15
<b>Total assets less current liabilities</b>			<u>277,352</u>		<u>277,352</u>
<b>Net assets</b>			<u>277,352</u>		<u>277,352</u>
<b>Total shareholders' funds</b>					
Equity share capital	6		10		10
Profit and loss account			277,342		277,342
<b>Shareholders' funds</b>			<u>277,352</u>		<u>277,352</u>

Notes on pages 12 to 16 form an integral part of these financial statements.

This balance sheet was approved by the board of directors on 1 September 2020 and was signed on its behalf by:

DocuSigned by:  
  
 44B54F0705E949D  
**Thomas Fussell**  
 Director

## Company statement of changes in equity

*for the period ended 31 March 2020*

	<b>Called-up Share Capital £'000</b>	<b>Profit &amp; Loss Account £'000</b>	<b>Total £'000</b>
<b>At 1 January 2019</b>	<b>10</b>	<b>550,005</b>	<b>550,015</b>
Profit for the year	-	-	-
Impairment of fixed asset investments ( <i>note 4</i> )	-	(272,663)	(272,663)
<b>At 4 June 2019</b>	<b>10</b>	<b>277,342</b>	<b>277,352</b>
Profit for the period	-	-	-
<b>At 31 March 2020</b>	<b>10</b>	<b>277,342</b>	<b>277,352</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements, except as noted below.

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

UKTV Media Holdings Limited is a company incorporated in the United Kingdom under the Companies Act and its registered address is 10 Hammersmith Grove, London, W6 7AP.

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

Following the demerger, the Company changed its accounting period from a 31 December year end to a 31 March year end to align with its ultimate parent company the BBC. Due to this change of accounting period, the financial statements (including the related notes) are presented for the ten-month period to 31 March 2020 and cannot be compared to the prior five-month period ended 4 June 2019.

#### ***Going concern***

As stated in the Directors' Report, due to the significant impact of COVID-19 on advertising revenues and increased uncertainty, a range of advertising market scenarios have been included in the Subsidiary's forecasts and projections to assist the directors in understanding the consequences. After reviewing these forecasts and projections, the directors have a reasonable expectation that the Subsidiary has adequate resources to continue in operational existence for the foreseeable future. The Subsidiary's remaining revenue streams are not significantly affected by COVID-19. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### ***Group accounts***

The financial statements present information about the Company as an individual undertaking and not about its group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare group financial statements on the grounds that it is a wholly owned subsidiary undertaking of BBC Commercial Holdings Limited, incorporated in Great Britain and registered in England and Wales.

#### ***Cash flow statement***

The Company is exempt under FRS 102 from the requirement to present a statement of cash flows as it is a wholly owned subsidiary of BBC Studios Distribution Limited. The smallest group accounts can be found at the BBC Commercial Holdings Limited level and its cash flows are included within the consolidated cash flow statement of that company. The consolidated financial statements of BBC Commercial Holdings Limited are available online from [www.bbc.co.uk/annualreport](http://www.bbc.co.uk/annualreport).

#### ***Related parties***

The Company has taken advantage of the exemptions under paragraphs 1.12e and 33.1A of FRS102 not to disclose the total compensation of key management personnel and transactions with fellow wholly owned subsidiaries. Terms and conditions of transactions with related parties, and sales and purchases between related parties are made on an arm's length basis.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### ***Investments***

In the Company financial statements, investments in subsidiary undertakings and other investments were initially stated at cost. It is the intention to maintain these assets at historical cost and test for impairment each year, as appropriate.

#### ***Common Control Transactions***

Common control transactions that arise between Group entities under the control of the same parent are accounted for at book value.

### **2 Auditor's remuneration**

In the current year, the Company audit fee of £10,000 was borne by the parent company BBC Studios Distribution Limited. In the prior year, the Company audit fee of £11,000 was borne by the Subsidiary.

### **3 Director's remuneration and staff costs**

During the current or prior period, no directors were employed by or received any remuneration from the Company. These costs were borne by the parent company BBC Studios Distribution Limited.

The Company had no employees during the current or prior period.

**Notes (continued)****4 Fixed asset investments**

	<b>Company investments in subsidiary undertakings</b>
	<b>£'000</b>
<b>Cost</b>	
At 4 June 2019	550,000
Movements during the period	-
	<hr/>
At 31 March 2020	550,000
	<hr/>
<b>Impairment losses</b>	
At 4 June 2019	(272,663)
Provided during the period	-
	<hr/>
At 31 March 2020	(272,663)
	<hr/>
<b>Net book value at 31 March 2020</b>	<b>277,337</b>
	<hr/>
Net book value at 4 June 2019	277,337
	<hr/>

**Subsidiary undertakings**

The following companies were subsidiaries at 31 March 2020:

	<b>Business</b>	<b>Class of shares</b>	<b>Group Holding</b>	<b>Country of incorporation</b>
UKTV Media Limited	Broadcasting Entertainment TV Channels	Ordinary	100%	England and Wales

In June 2019, UKTV Media Holdings Limited became a wholly owned subsidiary of BBC Studios Distribution Limited and Lifestyle Newco Limited (a subsidiary of the Company in the 5 month period to 4 June 2019) became a wholly owned subsidiary of Discovery Inc.

In the opinion of the directors, the investments in, and amounts due from, the Company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet. The registered office of UKTV Media Limited is the same as that of the Company.



## Notes (continued)

### 5 Debtors: amounts falling due within one year

	31 March 2020 £'000	4 June 2019 £'000
Amounts owed by fellow subsidiary undertakings	15	15
	<u>15</u>	<u>15</u>

### 6 Called up share capital

	31 March 2020 £'000	4 June 2019 £'000
<b>Authorised, allotted, called up and fully paid</b>		
10,000 ordinary shares of £1 each (divided into 5,000 'L' shares and 5,000 'E' shares)	10	-
10,000 ordinary shares of £1 each (divided into 5,000 'A' shares and 5,000 'B' shares)	-	10
	<u>10</u>	<u>10</u>

In June 2019, the 'A' ordinary shares were converted into and re-designated as 'L' ordinary shares and the 'B' ordinary shares were converted into and re-designated as 'E' ordinary shares.

Rights attaching to each class of share are summarised below:

Save as summarised below, the holders of the 'L' ordinary shares and the 'E' ordinary shares rank pari passu in all respects.

If at any point the holders of the 'L' Ordinary Shares have no further rights to income or on a return of capital then all other rights attaching to the 'L' Ordinary Shares shall lapse and for the avoidance of doubt (i) the holders of the 'L' Ordinary Shares will have no right to appoint any Shareholder Directors and (ii) the 'L' Ordinary Shares will not confer any voting rights on the shareholders and (iii) no holder of 'L' Ordinary Shares and no 'L' Shareholder Directors shall be entitled to vote on any matter and shall not be required for a quorum or for the passing of any board or shareholder resolution.

The 'E' Ordinary Shares shall confer on the holders of 'E' Ordinary Shares the right to participate in any and all dividends and distributions of the Company. The 'L' Ordinary Shares shall confer on the holders of 'L' Ordinary Shares the right to participate in any and all dividends and distributions of the Company as shall be derived from any shares or other interest for the time being owned by it in the Company's subsidiary company UKTV Media Limited.

On a return of capital on winding-up or otherwise the surplus assets of the Company remaining after the payment of its debts and liabilities shall be applied first to the holders of the 'L' Ordinary Shares, the right to participate in any and all distributions of the Company as shall be derived from any shares or other interest for the time being owned by it in the Company's subsidiary company UKTV Media Limited, and second the remainder to the holders of the 'E' Ordinary Shares.

## Notes (continued)

### 7 Reserves

Called up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

### 8 Ultimate parent company

On 4 June 2019, the joint venture parent companies at that time BBC Studios Distribution Limited (a wholly-owned subsidiary of the BBC) and Discovery Inc and its subsidiaries executed a business transfer agreement pertaining to the demerger of the business and assets owned by the Company. Under this agreement, the Company retained the 'Entertainment' part of the Company's business, being the business and assets of Dave, Gold, alibi, W, Yesterday, Drama, Eden and UKTV Play and the 'Lifestyle' part of the Company's business, being the business and assets of Really, Good Food and Home (together with a proportion of the debt owing to Scripps Networks Interactive Inc., 'the Lifestyle debt') transferred to a new company Lifestyle Newco Limited.

In June 2019, UKTV Media Holdings Limited became a wholly owned subsidiary of BBC Studios Distribution Limited and Lifestyle Newco Limited, as referred to above, became a wholly owned subsidiary of Discovery Inc.

The Company's immediate parent is BBC Studios Distribution Limited and the Company's ultimate parent undertaking and controlling party is the BBC which is incorporated in the United Kingdom by Royal Charter. The largest group in which the results of the Company are consolidated is that headed by the BBC. The smallest group in which they are consolidated is that headed by BBC Commercial Holdings Limited incorporated in the United Kingdom. The consolidated accounts of the BBC may be obtained online at [www.bbc.co.uk/annualreport](http://www.bbc.co.uk/annualreport).