

Registered number: 08387396

**LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL
INCORPORATED LIMITED)**

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



LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

COMPANY INFORMATION

Directors	C H R Bracken J L Evans B H Hall A V Salvato (appointed 28 November 2019)
Registered number	08387396
Registered office	Griffin House 161 Hammersmith Road London W6 8BS
Independent auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA

LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

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LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

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

The directors present their report and audited financial statements of Liberty Global Ventures Limited (the "company") for the year ended 31 December 2019.

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 investments in subsidiary undertakings and fixed asset investments. The company also has significant intergroup financing arrangements with fellow Liberty Global plc group (Liberty Global group) undertakings. The investments of the company are shown in note 9.

On 30 April 2020, the company changed its name from Liberty Global Incorporated Limited to Liberty Global Ventures Limited.

The company holds significant investments in ITV plc (ITV) and Lions Gate Entertainment Corp. (Lionsgate).

The ITV investment was financed through a secured borrowing arrangement and the company entered into a share collar which hedged the value of the investment in the shares from significant losses due to market price decrease, while still retaining a portion of the gains from market price increases. ITV is an integrated producer broadcaster, operating the largest commercial family of channels in the UK. Through ITV Studios, ITV produces content for both its own channels and third parties in the UK and increasingly overseas. ITV's distribution business sells finished programmes and formats worldwide.

Lionsgate is a leading global entertainment company with a strong and diversified presence in motion picture production and distribution, television programming and syndication, home entertainment, family entertainment, digital distribution, new channel platforms and international distribution and sales.

The company is a wholly owned subsidiary undertaking of Liberty Global plc (Liberty Global). The 2019 Liberty Global Annual Report is available to the public and may be obtained from Liberty Global's website at www.libertyglobal.com, or from the company secretary, Liberty Global plc, Griffin House, 161 Hammersmith Road, London, United Kingdom, W6 8BS.

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 served 6.3 million mobile subscribers.

Results and dividends

The loss for the year, after tax, amounted to \$35,941,000 (2018 - loss of \$61,497,000).

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

Directors

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

C H R Bracken
J L Evans
B H Hall
A V Salvato (appointed 28 November 2019)

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 year and as at the date of approving the Directors' Report.

LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

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

Going concern

Notwithstanding net current liabilities of \$143,992,000 as at 31 December 2019 and a loss for the year then ended of \$35,941,000, 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 subsidiaries and investees. 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.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

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



C H R Bracken
Director

LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

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

The directors are responsible for preparing 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 they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LIBERTY GLOBAL VENTURES LIMITED
(PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)**

Opinion

We have audited the financial statements of Liberty Global Ventures Limited ("the company") for the year ended 31 December 2019 which comprise the Directors' Report, 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.

Directors' Report

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

Our responsibility is to read 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 Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LIBERTY GLOBAL VENTURES LIMITED
(PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED) (CONTINUED)**

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 3, 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.

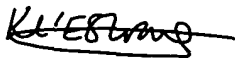
Auditor's responsibilities

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.

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

LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

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

	Note	2019 \$000	2018 \$000
Administrative (expenses)/income		(51,710)	82,659
Other operating expenses		115,769	(350,606)
Operating profit/(loss)	4	64,059	(267,947)
Interest receivable and similar income	6	73,467	281,398
Interest payable and similar expenses	7	(173,197)	(74,542)
Loss before tax		(35,671)	(61,091)
Tax on loss	8	(270)	(406)
Loss for the year		(35,941)	(61,497)

The notes on pages 9 to 20 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.

LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)
REGISTERED NUMBER: 08387396

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 \$000	2018 \$000
Fixed assets			
Investments	9	880,720	746,866
Current assets			
Debtors due after more than 1 year	10	1,133,268	976,986
Debtors due within 1 year	10	70,085	64,419
Cash at bank and in hand		2,111	1,353
		<u>1,205,464</u>	<u>1,042,758</u>
Creditors: amounts falling due within one year	11	(216,188)	(73,519)
		<u>989,276</u>	<u>969,239</u>
Net current assets		989,276	969,239
Total assets less current liabilities		1,869,996	1,716,105
Creditors: amounts falling due after more than one year	12	(1,692,030)	(1,502,198)
		<u>177,966</u>	<u>213,907</u>
Net assets		177,966	213,907
Capital and reserves			
Share capital	14	-	-
Share premium account	15	107,050	107,050
Retained earnings	15	70,916	106,857
		<u>177,966</u>	<u>213,907</u>
Total shareholder's fund		177,966	213,907

The company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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



C H R Bracken
 Director

The notes on pages 9 to 20 form part of these financial statements.

LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

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

	Share capital	Share premium account	Retained earnings	Total shareholder's fund
	\$000	\$000	\$000	\$000
At 1 January 2019	-	107,050	106,857	213,907
Comprehensive income for the year				
Loss for the year	-	-	(35,941)	(35,941)
Total comprehensive income for the year	-	-	(35,941)	(35,941)
At 31 December 2019	-	107,050	70,916	177,966

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

	Share capital	Share premium account	Retained earnings	Total shareholder's fund
	\$000	\$000	\$000	\$000
At 1 January 2018	-	107,050	168,354	275,404
Comprehensive income for the year				
Loss for the year	-	-	(61,497)	(61,497)
Total comprehensive income for the year	-	-	(61,497)	(61,497)
At 31 December 2018	-	107,050	106,857	213,907

The notes on pages 9 to 20 form part of these financial statements.

LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

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

1. Company information

Liberty Global Ventures Limited (the "company") is a private company incorporated, domiciled and registered in the UK. The registered number is 08387396. The registered address is Griffin House, 161 Hammersmith Road, London, W6 8BS.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

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 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 Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has 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.

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.

As the consolidated financial statements of Liberty Global plc include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

2.2 Going concern

Notwithstanding net current liabilities of \$143,992,000 as at 31 December 2019 and a loss for the year then ended of \$35,941,000, 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.

2. Accounting policies (continued)

2.2 Going concern (continued)

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 subsidiaries and investees. 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.

2.3 Dividend income

Income is recognised when the company's right to receive payment is established.

2.4 Investments

Investments in subsidiary undertakings are recorded at cost, less any necessary provision for impairment, or at fair value 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.

Fixed asset investments are held at fair value, revaluation assessed every year with the movement going through the Profit and Loss account.

For investments where the company has obtained derivative financial instruments designated as a fair value hedge, the investment is revalued to its fair value at the balance sheet date. Movements in the fair value are recognised immediately in the profit and loss account.

2.5 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.

2.6 Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance income and finance costs.

Finance costs which are incurred in connection with the issuance of debt are deferred and set off against the borrowings to which they relate. Deferred finance costs are amortised over the term of the related debt using the effective interest method.

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

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at each balance sheet date.

Derivatives are recognised as financial assets when the fair value is positive and as liabilities when the fair value is negative.

While these instruments are subject to the risk of loss from changes in market prices, these losses would generally be offset by gains in the related exposures. Financial instruments are only used to hedge underlying commercial exposures. The group does not enter into derivative financial instruments for speculative trading purposes, nor does it enter into derivative financial instruments with a level of complexity or with a risk that is greater than the exposure to be managed.

The recurring fair value measurement of our equity-related derivative instruments are based on binomial option pricing models, which require the input of observable and unobservable variables such as exchange-traded equity prices, risk-free interest rates, dividend yields and forecasted volatilities of the underlying equity securities. The valuations of our equity-related derivative instruments are based on a combination of Level 1 inputs (exchange traded equity prices), Level 2 inputs (interest rate futures and swap rates) and Level 3 inputs (forecasted volatilities). As changes in volatilities could have a significant impact on the overall valuations, we have determined that these valuations fall under Level 3 of the fair value hierarchy.

2.10 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

2. Accounting policies (continued)

2.10 Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

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 in subsidiary undertakings 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.

Fixed asset investments are held at fair value, revaluation assessed every year with the movement going through the Profit and Loss account.

Management uses valuation techniques to determine the fair value of investments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the investments.

Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value measurement of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see note 12 and note 13).

LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

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

4. Operating profit/(loss)

The operating profit/(loss) is stated after crediting/(charging):

	2019 \$000	2018 \$000
Net gain/(loss) on fair value movement on fixed asset investments	115,488	(352,476)
Dividend income received	214	1,811
Net (loss)/gain on foreign currency translation	(51,206)	83,300
	<u>115,488</u>	<u>(352,476)</u>

Certain expenses are specifically attributed 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 plc.

Auditor's remuneration of \$13,300 (£10,000) (2018 - \$12,700 (£10,000)) 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
Gain on loan instruments and derivatives at fair value	-	217,142
Interest receivable on amounts due from affiliate	4,872	-
Interest receivable on amounts due from group undertakings	68,584	64,250
Other finance income	11	6
	<u>73,467</u>	<u>281,398</u>

7. Interest payable and similar expenses

	2019 \$000	2018 \$000
Bank interest payable	15,581	16,490
Loss on loan instruments and derivatives at fair value	83,567	-
Interest payable on loans notes due to group undertakings	67,692	57,854
Other finance charges	6,357	198
	<u>173,197</u>	<u>74,542</u>

LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

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

8. Tax on loss

	2019	2018
	\$000	\$000
Current tax		
Foreign tax	270	406
Total current tax	270	406
Deferred tax		
Total deferred tax	-	-
Tax on loss	270	406

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	2018
	\$000	\$000
Loss before tax	(35,671)	(61,091)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(6,777)	(11,607)
Effects of:		
Expenses not deductible	1,135	-
Deferred tax not recognised	(9,972)	45,767
Group relief surrendered/(claimed) without payment	16,787	(39,200)
Income not taxable for tax purposes	-	(344)
Net effect of tax rate change on deferred tax	(1,173)	5,384
Foreign tax	270	406
Total tax charge for the year	270	406

Factors that may affect future tax charges

Gross deferred tax assets in respect of temporary differences on investments of \$490,548,000 (2018 - \$549,204,000) have not been recognised as there is currently no persuasive evidence that there will be suitable taxable profits against which these timing differences will reverse.

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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9. Investments

	Investments in subsidiary undertakings \$000	Fixed asset investments \$000	Total \$000
Cost or valuation			
At 1 January 2019	5,500	741,366	746,866
Additions	2,473	20,167	22,640
Disposals	-	(4,274)	(4,274)
Revaluations	-	115,488	115,488
At 31 December 2019	7,973	872,747	880,720
Net book value			
At 31 December 2019	7,973	872,747	880,720
At 31 December 2018	5,500	741,366	746,866

During 2019, the company subscribed 445 Ordinary shares in Catalyst Newco 1 Limited for a total of \$2,473,000.

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

The investment in which the company holds at least 20% of nominal value of any class of share capital and which is unlisted, is shown below.

Name of company	Holdings	Proportion held	Nature of business
Direct Shareholdings			
Catalyst Newco 1 Limited	Ordinary	100%	Holding
Indirect Shareholdings			
Catalyst Newco 2 Limited	Ordinary	50%	Holding
Catalyst Newco 3 Limited	Ordinary	50%	Holding

All companies above are incorporated in United Kingdom and registered at Griffin House, 161 Hammersmith Road, London, W6 8BS.

LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

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

9. Investments (continued)

The fixed assets investments in which the company holds are less than 20% of the nominal value of any class of share capital and are unlisted, unless they are detailed below.

ITV

The company owned 398,515,510 (2018 - 398,515,510) shares of ITV plc (ITV), a commercial broadcaster in the UK. The company's ITV shares represented less than 10.0% of the total outstanding shares of ITV as of 31 December 2019, the most current publicly available information. The aggregate purchase price paid to acquire our investment in ITV was financed through borrowings under secured borrowing agreements (the ITV Collar Loan). All of the ITV shares we hold are subject to a share collar (the ITV Collar) and pledged as collateral under the ITV Collar Loan. Under the terms of the ITV Collar, the counterparty has the right to re-use all of the pledged ITV shares. For additional information regarding the ITV Collar, see note 13.

The ITV investment is held at market value and was subsequently revalued to \$798,112,000 (2018 - \$634,178,000) at the balance sheet date. The directors consider market value to equal fair value.

Lionsgate

The company owned 4.0 million (2018 - 2.5 million) voting shares, and 2.5 million (2018 - 2.5 million) non-voting shares of Lions Gate Entertainment Corp (Lionsgate)'s common stock, which represented less than 5% of the total outstanding shares of Lionsgate. Certain of the company's voting and non-voting Lionsgate shares are subject to a variable prepaid forward transaction (the Lionsgate Forward), as further described in note 13.

The Lionsgate investment is held at market value and was subsequently revalued to \$67,998,000 (2018 - \$77,450,000) at the balance sheet date. The directors consider market value to equal fair value.

10. Debtors

	2019 \$000	2018 \$000
Due after more than one year		
Amounts owed by group undertakings	1,043,119	976,986
Amounts owed by affiliates	90,149	-
	1,133,268	976,986
	2019 \$000	2018 \$000
Due within one year		
Amounts owed by group undertakings	68,584	64,250
Amounts owed by affiliates	1,119	-
Other debtors	382	169
	70,085	64,419

Amounts owed by group undertakings due after one year represent a loan note which had a carrying value of \$1,043,119,000 (2018 - \$976,986,000) at the balance sheet date. The loan note is denominated in U.S. dollar, bears interest of 6.49% and matures in 2028.

Amounts owed by affiliates due after one year represent a loan note owed by DLG Acquisitions Limited which had a carrying value of \$90,149,000 (2018 - \$nil) at the balance sheet date. The loan notes is denominated in sterling, bears interest of 8.85% and matures in 2028.

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

LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

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

11. Creditors: amounts falling due within one year

	2019 \$000	2018 \$000
Amounts owed to group undertakings	67,860	58,962
Accruals and deferred income	1,204	1,428
Financial instruments (see note 13)	147,124	13,129
	<u>216,188</u>	<u>73,519</u>

Other 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
Financial instruments (see note 13)	681,630	678,272
Amounts owed to group undertakings	1,010,400	823,926
	<u>1,692,030</u>	<u>1,502,198</u>

Amounts owed to group undertakings falling due after more than one year represents loan notes which had a carrying value of \$1,010,400,000 (2018 - \$823,926,000) at the balance sheet date. Loan notes are denominated in U.S. dollar, bear interest of 7.02% and a maturity date of 30 November 2026. The company may make additional advancements or repay all or part of the outstanding principal at any time prior to the maturity date.

13. Financial instruments

The derivative financial instruments held by the company are recorded at fair value on the balance sheet in accordance with IFRS 9 "Financial instruments". The fair values of these derivative financial instruments are valued using internal models based on observable inputs, counterparty valuations, or market transactions in either the listed or over-the counter markets, adjusted for non-performance risk.

For our investments in ITV and Lionsgate, the recurring fair value measurements are based on the quoted closing price of the respective shares at each reporting date. Accordingly, the valuations of these investments fall under Level 1 of the fair value hierarchy.

The recurring fair value measurement of our equity-related derivative instruments are based on binomial option pricing models, which require the input of observable and unobservable variables such as exchange-traded equity prices, risk-free interest rates, dividend yields and forecasted volatilities of the underlying equity securities. The valuations of our equity-related derivative instruments are based on a combination of Level 1 inputs (exchange traded equity prices), Level 2 inputs (interest rate futures and swap rates) and Level 3 inputs (forecasted volatilities). As changes in volatilities could have a significant impact on the overall valuations, we have determined that these valuations fall under Level 3 of the fair value hierarchy.

LIBERTY GLOBAL VENTURES LIMITED (PREVIOUSLY LIBERTY GLOBAL INCORPORATED LIMITED)

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

13. Financial instruments (continued)	2019 \$000	2018 \$000
Financial assets		
Financial assets measured at amortised cost	1,205,464	1,042,758
Financial liabilities		
Financial liabilities measured at amortised cost	1,079,464	884,316
Loan instruments	828,754	691,401
	1,908,218	1,575,717

All of the ITV shares we hold are subject to a share collar (the ITV Collar) and pledged as collateral under the ITV Collar Loan. Under the terms of the ITV Collar, the counterparty has the right to re-use all of the pledged ITV shares. The ITV Collar effectively hedges the value of the investment in ITV shares from significant losses due to market price decreases below the put option price, while retaining a portion of the gains from market price increases up to the call option price.

The Lionsgate Forward has the economic equivalent of (i) purchased put options exercisable by the company and (ii) written call options exercisable by the counterparty. The Lionsgate Forward effectively hedges the value of a portion of the company's investment in Lionsgate shares from losses due to market price decreases below the put option price while retaining a portion of the gains from market price increases up to the call option price. For additional information regarding our investment in Lionsgate, see note 9.

Financial assets measured at amortised cost comprise cash at bank, other debtors, amounts owed by group undertakings and loans to affiliate and associated undertakings.

Financial liabilities measured at amortised cost comprise other creditors, amounts owed to group undertakings, corporation tax and accruals.

Loan instruments comprises the ITV collar, borrowings less issue costs under the ITV collar and borrowings less issue costs under the Lionsgate Loan; detailed on page 19.

The fair values of financial instruments recognised in the balance sheet of the company are as follows:

	2019 \$000	2018 \$000
Financial instruments in current liabilities (note 11)	147,124	13,129
Financial instruments in non-current liabilities (note 12)	681,630	678,272
	828,754	691,401

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

13. Financial instruments (continued)

ITV Collar Loan

The ITV Collar comprises (i) purchased put options exercisable by our company and (ii) written call options exercisable by the counterparty. The ITV Collar effectively hedges the value of our investment in ITV shares from losses due to market price decreases below the put option price while retaining a portion of the gains from market price increases up to the call option price. The ITV Collar has settlement dates ranging from 2020 to 2022.

The ITV Collar and related agreements also provide our company with the ability to borrow against the value of its ITV shares. At 31 December 2019, borrowings under the ITV Collar Loan were secured by all 398,515,510 of our ITV shares, which have been placed into a custody account. The ITV Collar Loan, which has maturity dates consistent with the ITV Collar and contains no financial covenants, provides for customary representations and warranties, events of default and certain adjustment and termination events. Under the terms of the ITV Collar, the counterparty has the right to re-use the pledged ITV shares held in the custody account, but we have the right to recall the shares that are re-used by the counterparty subject to certain costs. In addition, the counterparty retains dividends on the ITV shares that the counterparty would need to borrow from the custody account to hedge its exposure under the ITV Collar (an estimated 390 million shares at 31 December 2019). The ITV Collar and ITV Collar Loan are recognised as a single loan instrument. As of 31 December 2019, the fair value of the ITV Collar was a net asset of \$619,646,000 (2018 - \$704,043,000) and fair value of borrowings outstanding under the ITV Collar Loan were \$1,431,985,000 (2018 - \$1,359,288,000).

Lionsgate Forward

The Lionsgate Forward has economic characteristics similar to a collar plus a loan initially collateralised by a pledge of 1.25 million of our voting and 1.25 million of our non-voting Lionsgate shares (the Lionsgate Loan). Under the terms of the Lionsgate Forward, the counterparty does not have the right to re-use the pledged Lionsgate shares without permission from Liberty Global. The Lionsgate Forward effectively hedges the value of our pledged Lionsgate shares from losses due to market price decreases below the put option price while retaining a portion of the gains from market price increases up to the call option price. The Lionsgate Forward has settlement dates through March 2022, the first of which occurred during the third quarter of 2019, as further described below.

The Lionsgate forward and Lionsgate loan are recognised as a single loan instrument. As of 31 December 2019, the fair value of the Lionsgate Forward was a net asset of \$37,162,000 (2018 - \$42,185,000) and fair value of borrowings outstanding under the Lionsgate Loan were \$53,860,000 (2018 - \$78,969,000).

During the third quarter of 2019, the company cash settled the first 25 tranches of the Lionsgate Forward with respect to certain of the company's voting and non-voting Lionsgate shares. Subsequent to the settlement of these tranches of the Lionsgate Forward (\$18,069,000 asset value on the relevant settlement dates) and the related borrowings under the Lionsgate Loan (\$27,640,000) on liability on the relevant settlement dates), the shares collateralised under the Lionsgate Loan were reduced to a pledge of the company's 833,333 voting and 833,334 non-voting Lionsgate shares.

For additional information regarding our investments in ITV and Lionsgate see note 9.

14. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
14 (2018 - 14) Ordinary shares of £10 each	140	140

15. Reserves

Share premium account

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

Profit and loss account

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

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

16. 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.

17. 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 into which the company's accounts are consolidated at 31 December 2019 is Liberty Global plc.

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