Company Registration No. 03693619 (England and Wales)

LAGARDERE SPORTS MEDIA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

LAGARDERE SPORTS MEDIA LIMITED

COMPANY INFORMATION

Directors	D White	
	U Valensi	(Appointed 23 January 2019)
Company number	03693619	
Registered office	4th Floor Cardinal Place 80 Victoria Street London SW1E 5JL	
Auditor	Ernst & Young LLP 2 St Peter's Square Manchester M2 3EY	
Bankers	HSBC 15 The Mall Stratford London E15 1XL	

LAGARDERE SPORTS MEDIA LIMITED

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LAGARDERE SPORTS MEDIA LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018.

Fair review of the business

The principal activities of the company is the acquisition and the distribution of sports media rights as well as providing Production and Host Broadcast services to sports right holders.

The directors are optimistic about the future prospects of the company. The company has continued to perform in line with expectations of the Group.

Both financial key performance indicators and non-financial key performance indicators are used to manage overall business performance against targets for the year. As expected, the company achieved a significant turnover growth of €19.7m to €23.1m. Significant acquisitions of rights have been performed in 2018 which will support the future development of the company.

The assessment of risk and uncertainty and the allocation of resource to manage the impact of this on the strategic and operational performance of the company forms a key part of management activity.

The goal for the future is to consolidate the recent growth for the company and to continue to grow where market opportunities exist.

Principal risks and uncertainties

Financial instrument risks

The company uses financial instruments including cash, trade debtors and trade creditors that arise directly from its operations. The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

Credit risk

The company's principal financial assets are cash deposits, cash and trade debtors. The credit risk associated with cash is limited. The principal credit risk arises, therefore, from its trade debtors. Management closely monitors the credit risk associated with each of its customers in order to minimise any risk of non-payment from any of the trade debtors.

Interest rate risk

The company does not have any third party borrowing, therefore, is not exposed to any interest rate risk.

Foreign exchange risk

Where the company is exposed to changes in foreign exchange rates, for example through trade debtors in foreign currency, the company is able to mitigate this risk through available hedging facilities provided by the Group. While this facility is available, the company's primary aim is to invoice in the functional currency (EUR) so as to avoid any exposure to this risk. The majority of sales are completed in the functional currency.

On behalf of the board

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U Valensi

Director

27/09/2019

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Georgiou	(Resigned 15 July 2019)
P O'Dowd	(Resigned 1 April 2019)
D White	
D Pearce	(Appointed 24 July 2018 and resigned 24 December 2018)
U Valensi	(Appointed 23 January 2019)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in Euros. Hedging arrangements have been considered necessary to manage this risk in the current financial period.

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Auditor

Ernst & Young LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice). 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to 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 of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern
At the balance sheet date the company had net liabilities of €7,337,548 and reported a loss for the period of €4,111,413. At the time of approving the financial statements the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, based on the continuing support of the parent company. The directors have received a letter of support from the parent company and thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the board

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U Valensi
Director
Date: 27/09/2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LAGARDERE SPORTS MEDIA LIMITED

Opinion

We have audited the financial statements of Lagardère Sports Media Limited for the year ended 31 December 2018 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position and the Statement of changes in equity and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LAGARDERE SPORTS MEDIA LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Ernst & Young LLP

Anne Wong (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP

30 September 2019

Statutory Auditor

2 St Peter's Square
Manchester
M2 3EY

LAGARDERE SPORTS MEDIA LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 €	2017 €
Revenue	4	23,139,475	3,466,165
Cost of sales		(21,152,310)	(5,705,221)
Gross profit/(loss)		1,987,165	(2,239,056)
Administrative expenses		(5,348,390)	(529,487)
Operating loss	5	(3,361,225)	(2,768,543)
Investment income	7	3,514	4
Finance costs	8	(261,213)	(15,004)
Other gains and losses	9	(63,524)	-
Loss before taxation		(3,682,448)	(2,783,543)
Tax on loss	10	(428,965)	(26,550)
Loss for the financial year		(4,111,413)	(2,810,093)

The Income Statement has been prepared on the basis that all operations are continuing operations.

LAGARDERE SPORTS MEDIA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	€	€
Loss for the year	(4,111,413)	(2,810,093)
Other comprehensive loss		
Cash flow hedges loss arising in the year	(150,678)	-
Total comprehensive loss for the year	(4,262,091)	(2,810,093)

LAGARDERE SPORTS MEDIA LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	2018 €	€	2017 €	€
Fixed assets					
Intangible assets	12		172,468,062		6,707,995
Current assets					
Falling due after more than one year:					
- Deferred tax	18	-		38,578	
Falling due within one year:					
Trade and other receivables falling due within one year	13	22,497,080		7,248,790	
Cash and cash equivalents		2,961,433		600,375	
		25,458,513		7,887,743	
Current liabilities					
Derivative financial instruments	14	129,142		-	
Trade and other payables	15	47,455,421		10,788,716	
Contract liability and deferred income	16	23,082,769		826,501	
		70,667,332		11,615,217	
Net current liabilities			(45,208,819)		(3,727,474)
Total assets less current liabilities			127,259,243		2,980,521
Non-current liabilities					
Trade and other payables	17	134,596,791		5,789,446	
			(134,596,791)		(5,789,446)
Net liabilities			(7,337,548)		(2,808,925)
Equity					
Called up share capital	19		1,168		1,168
Hedging reserve	20		(150,678)		-
Retained earnings			(7,188,038)		(2,810,093)
Total equity			(7,337,548)		(2,808,925)

The financial statements were approved by the board of directors and authorised for issue on 27/09/2019 and are signed on its behalf by:

....
U Valensi
Director

Company Registration No. 03693619

LAGARDERE SPORTS MEDIA LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital €	Hedging reserve €	Retained earnings €	Total €
Balance at 1 January 2017		1,168	-	167,243	168,411
Year ended 31 December 2017:					
Loss and total comprehensive income for the year		-	-	(2,810,093)	(2,810,093)
Dividends	11	-	-	(167,243)	(167,243)
Balance at 31 December 2017		1,168	-	(2,810,093)	(2,808,925)
On transition to IFRS9		-	-	(266,532)	(266,532)
Balance as at 1 January 2018 - restated		1,168	-	(3,076,625)	(3,075,457)
Year ended 31 December 2018:					
Loss for the year		-	-	(4,111,413)	(4,111,413)
Other comprehensive income:					
Cash flow hedges gains		-	(150,678)	-	(150,678)
Total comprehensive income for the year		-	(150,678)	(4,111,413)	(4,262,091)
Balance at 31 December 2018		1,168	(150,678)	(7,188,038)	(7,337,548)

1 Accounting policies

Company information

Lagardere Sports Media Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4th Floor, 80 Victoria Street, London, SW1E 5JL.

The principal activity of the company is the provision of media and marketing rights.

1.1 Accounting convention

The financial statements of Lagardere Sports Media Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Lagardère SCA in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of Lagardère SCA. The group accounts of Lagardère SCA are available to the public and copies can be obtained from http:// www.lagardere.com.

1 Accounting policies (Continued)

1.1 Accounting convention (continued)

The financial statements are prepared in Euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the balance sheet date the company had net liabilities of €7,337,548 and reported a loss for the period of €4,111,413. At the time of approving the financial statements the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, based on the continuing support of the parent company. The directors have received a letter of support from the parent company and thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue from the sale of goods and services is recognised at the point in time when the relevant performance obligation is satisfied. The performance obligation is considered to be satisfied when goods and services have been transferred to the customer and the customer has obtained control of that asset.

Revenue from contracts with customers whose performance obligations are satisfied over time, is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably.

Revenue is measured at the transaction price, being the fair value of the consideration received or receivable. The transaction price is reduced for estimated customer returns, rebates and other similar allowances. Revenue is only recognised to the extent that significant reversals are not anticipated in future periods.

Revenue is accrued when it is recognised but not yet invoiced and deferred as contract liabilities when invoiced but not yet recognised.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Rights & licences	amortised over the duration of the contact

1.5 Impairment of non-current assets

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

1 Accounting policies **(Continued)**

1.6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

1.7 Impairment of financial assets

A loss allowance is recognised on initial recognition of financial assets held at amortised cost, based on expected credit losses, and is remeasured annually with changes appearing in profit or loss. Where there has been a significant increase in credit risk of the financial instrument since initial recognition, the loss allowance is measured based on lifetime expected losses. In all other cases, the loss allowance is measured based on 12-month expected losses. For assets with a maturity of 12 months or less, including trade receivables, the 12-month expected loss allowance is equal to the lifetime expected loss allowance.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Ordinary shares are classified as equity.

1 Accounting policies **(Continued)**

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 Taxation

The tax expense for the period comprises current and deferred tax.

The tax expense is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Such taxes include UK ~~corporation tax and foreign tax based on taxable profits as well as other taxes such as withholding tax.~~

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

Deferred tax is recognised on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.11 Foreign exchange

Transactions in currencies other than euros sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

1.12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

1.13 Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2 Adoption of accounting policy

IFRS 9 *Financial Instruments*
In the current year, the company has applied IFRS 9 *Financial Instruments* (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives.

IFRS 9 introduced new requirements for:
- The classification and measurement of financial assets and financial liabilities,
- Impairment of financial assets,

Classification and measurement of financial asset:
The date of initial application is 1 January 2018. Accordingly, the company has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018.
All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:
- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

In the current year, the company has not designated any debt investments that meet the amortised cost or FVTOCI ccriteria as measured at FVTPL.

Impairment of financial asset:
In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

The adoption of IFRS 9 has resulted in €700,000 of impairment being booked in 2018, based on the expected loss model adopted, being 5.6% on all year end receivables due within 6 months and 50% due within 6 months and one year. Considering the opening of €266,532, the company has recognized a P&L impact of €433,368 in 2018.

Specifically, IFRS 9 requires the company to recognise a loss allowance for expected credit losses on:
- Debt investments measured subsequently at amortised cost or at FVTOCI;
- Lease receivables;
- Trade receivables and contract assets; and
- Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

IFRS 15 *Revenue from Contracts with Customers*
In the current year, the company has applied IFRS 15 *Revenue from Contracts with Customers* (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what was previously known as 'accrued revenue' and 'deferred revenue. The company has adopted the terminology used in IFRS 15 to describe such balances. This is the only impact of adopting this new standard.

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The critical accounting judgements and key sources of estimation uncertainty, having the most significant effect on amounts recognised in the financial statements, were as follows:

Revenue recognition
Where contracts are incomplete at the period end, revenue is recognised based on the stage of completion of the contract and estimates of the anticipated profit on those contracts. Profit is only recognised on contracts where, at the period end, profits can be foreseen with reasonable certainty. The stage of completion and anticipated profits require significant judgements by the company based on cost incurred, anticipated costs to be incurred and the revenue value of the contracts. Such judgements require future costs to be estimated and such estimates are based on the experience of management and their expectations of future contract performance.

Impairment of intangible assets
At each balance sheet date the company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. The directors make judgements as to whether impairment indicators exist and, where such indicators are identified, the recoverable amount of the assets is estimated to determine the extent of the impairment loss. Such judgements involves estimates about future activities and profitability of the rights and licences.

4 Revenue

An analysis of the company's revenue is as follows:

	2018	2017
	€	€
Revenue analysed by geographical market		
Europe	12,377,522	1,995,667
Asia	4,024,276	376,587
North America	5,226,512	589,857
South America	205,367	177,070
Other	1,305,798	326,984
	23,139,475	3,466,165

5 Operating loss

	2018	2017
Operating loss for the year is stated after charging/(crediting):	€	€
Exchange losses/(gains)	372,157	(395,801)
Fees payable to the company's auditor for the audit of the company's financial statements	114,175	13,500
Amortisation of intangible assets	10,765,776	2,445,847
Impairment of intangible assets	3,389,682	2,127,379

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to €491,439 (2017 - €395,801).

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2017 - 3).

The directors are directors of a number of group companies. Their services to the company are inconsequential to their other roles therefore no remuneration is disclosed.

7 Investment income

	2018	2017
	€	€
Interest income		
Interest on bank deposits	3,514	4

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	3,514	4

8 Finance costs

	2018 €	2017 €
Interest on financial liabilities measured at amortised cost:		
Interest on group borrowings	141,931	15,004
Other finance costs:		
Exchange differences on financing transactions	119,282	-
	261,213	15,004

9 Other gains and losses
fixed asset investments:

	2018 €	2017 €
Fair value losses on financial instruments		
Exchange differences on hedged items	(63,524)	-

10 Taxation

	2018 €	2017 €
Current tax		
Foreign current tax on profits for the current period	386,508	65,128
Adjustments in foreign tax in respect of prior periods	3,879	-
Total current tax	390,387	65,128
Deferred tax		
Origination and reversal of timing differences	38,578	(36,009)
Other adjustments	-	(2,569)
Total deferred tax	38,578	(38,578)
Total tax charge	428,965	26,550

10 Taxation (Continued)

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2018 €	2017 €
Loss before taxation	(3,682,448)	(2,783,543)
Expected tax credit based on the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(699,665)	(535,832)
Tax effect of expenses that are not deductible in determining taxable profit	5,064	5,199
Tax effect of income not taxable in determining taxable profit	(59,475)	-
~~Adjustments in respect of prior years~~	3,879	-
Effect of change in corporation tax rate	13,707	4,854
Group relief	694,418	493,356
Other permanent differences	(73,436)	(3,586)
Deferred tax adjustments in respect of prior years	-	(2,569)
Foreign tax credits	386,508	18,632
Accrued foreign tax	-	46,496
Adjustments to losses	2,871	-
Deferred tax not recognised	155,094	-
Taxation charge for the year	428,965	26,550

11 Dividends

	2018 €	2017 €
Interim paid - (€167,243 per share)	-	167,243

12 Intangible fixed assets

	Rights & licences
	€
Cost	
At 1 January 2018	11,281,221
Additions	179,915,525
At 31 December 2018	191,196,746
Amortisation and impairment	
At 1 January 2018	4,573,226
Amortisation charged for the year	10,765,776
Impairment losses	3,389,682
At 31 December 2018	18,728,684
Carrying amount	
At 31 December 2018	172,468,062
At 31 December 2017	6,707,995

The amortisation period for Rights & licences is based on the term of the individual acquisition contracts that gives rights to the use of the assets.

The impairment loss during 2018 of €3,389,682 arose on reducing the carrying value of rights and licences to their recoverable amount. The recoverable amount is determined from the forecast future cashflows arising from the sales of sports rights. As the contracts for the rights are short term the cashflows are undiscounted as the impact is not material.

13 Trade and other receivables

	2018	2017
Amounts falling due within one year:	€	€
Trade receivables	16,829,746	2,817,079
Corporation tax recoverable	227,120	-
Amounts owed by group undertakings	2,117,936	2,611,079
Accrued income	3,322,278	1,820,632
	22,497,080	7,248,790
Deferred tax asset (note 18)	-	38,578
	22,497,080	7,287,368

Trade receivables disclosed above are measured at amortised cost.

14 Derivative financial instruments

	2018	2017
	€	€
Forward foreign currency contracts	129,142	-
	129,142	-

The objective of Lagardère Sports Media when hedging foreign exchange risk is to protect the company's results against fluctuations in foreign exchange rates, through FX Forwards and FX Swaps: this strategy consists of "locking" the current rate for a specified amount. The company is protected against unfavorable fluctuations in exchange rates, but will not benefit from favorable fluctuations. In general, all FX contracts will be designated as cash flow hedges.

15 Trade and other payables falling due within one year

	2018	2017
	€	€
Trade payables	12,464,499	944,548
Amounts owed to group undertakings	7,851,227	1,103,582
Other payables - taxation	2,395,398	576,066
Other payables - accruals	24,744,297	8,164,520
	47,455,421	10,788,716

16 Contract liability and deferred income

	2018	2017
	€	€
Contract liability	14,312,492	-
Deferred income	8,770,277	826,501
	23,082,769	826,501

A contract liability is presented in the statement of financial position where a customer has paid an amount of consideration prior to the entity performing by transferring the related good or service to the customer

17 Trade and other payables falling due after one year

	2018	2017
	€	€
Other payables - accruals	134,596,791	5,789,446

This accrual relates to Sport Rights payables due to various rights holders between 2020 and 2025.

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2018	Assets 2017
Balances:	**€**	**€**
Tax losses	-	38,578

	2018
Movements in the year:	**€**
Liability/(Asset) at 1 January 2018	(38,578)
Charge to profit or loss	38,578
Liability at 31 December 2018	-

19 Share capital

	2018	2017
	€	**€**
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary Shares of £1 each	1,168	1,168
	1,168	1,168

20 Hedging reserve

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges.

21 Ultimate controlling party

The immediate parent company is Lagardère Sports & Entertainment SAS, a company incorporated in France, with a registered office of 16-18 Rue du Dome, 92100 Boulogne-Billancourt, France.

The ultimate parent company is Lagardère SCA, a partnership limited by shares incorporated in France. Lagardère SCA prepares group financial statements and copies can be obtained from http://www.lagardere.com.

There is no ultimate controlling party.