CYMRU INTERNATIONAL LIMITED

Annual report and financial statements
For the year ended 30 June 2018

Registered number: 05536376

Directors and Officers

For the year ended 30 June 2018

Directors

Cymru International Limited's ("the Company") present Directors and those who served during the year are as follows:

C J Taylor

C R Jones

K Holmes

Company Secretary

C J Taylor

Registered office

Grant Way
Isleworth
Middlesex
TW7 5QD

Statutory Auditor

Deloitte LLP
London
United Kingdom

Strategic and Directors' Report

Strategic Report

The Directors present their Strategic and Directors' report on the affairs of the Company, together with the financial statements and Auditor's Report for the year ended 30 June 2018.

The purpose of the Strategic Report is to inform members of the Company and help them assess how the Directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the Company).

Business review and principal activities

The Company is a wholly owned subsidiary of Parthenon Entertainment Limited (the immediate parent company). As at 30 June 2018 the ultimate parent company was Sky plc (now renamed Sky Limited) ("Sky") and the company operated together with Sky's other subsidiaries as a part of the Sky group ("the Group"). On 9 October 2018 the offer by Comcast Bidco Limited, an indirect wholly-owned subsidiary of Comcast Corporation, to acquire the entire issued and to be issued share capital of Sky plc (now renamed Sky Limited) became wholly unconditional. As a result, and as of that date, the ultimate controlling party of the Company is now Comcast Corporation.

The principal activities of the Company continued to be that of the marketing and distribution of television programmes.

There have not been any significant changes in the Company's activities in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The audited accounts for the year ended 30 June 2018 are set out on pages 9 to 17. The Directors consider revenue and operating profit to be key performance indicators of the Company. Revenue for the year ended 30 June 2018 was £14,631 (2017: £103,356) and the profit after taxation was £5,244 (2017 £10,341 profit). Revenue for the year ended 30 June 2017 had increased due to a one off sale of catalogue rights of £46k. Additionally there was no new inventory available for sale in the accounts for the year ended 30 June 2018, which clients had paid an advanced payment for to aquire the rights. The remaining revenue was royalties payments in relation to client sales.

Key performance indicators (KPIs)

The Group manages its operations on a divisional basis and the KPIs used are as reported in the Group Annual Report. The Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the Company.

Principal risks and uncertainties

The Company's activities expose it to financial risks, namely credit risk, and liquidity risk. The Directors do not believe the Company is exposed to significant cash flow risk, price risk, interest rate risk or foreign exchange risk.

Financial risk management objectives and policies

The use of financial derivatives is governed by the Group's treasury policy approved by the Board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

Credit risk

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

The Company relies on the Group Treasury function to manage its liquidity and ensure that sufficient funds are available for ongoing operations and future developments. The Group currently has access to a £3 billion revolving credit facility which was undrawn at 30 June 2018. The facility is due to expire on 11 January 2024 The Company benefits from this liquidity through intra-group facilities and loans.

By Order of the Board,

C J Taylor
Director

Grant Way
Isleworth
Middlesex
TW7 5QD

15 March 2019

Directors' Report

The Directors who served during the year are shown on page 1. The Directors do not recommend a dividend for the year ended 30 June 2018 (2017: £nil).

The Company has chosen, in accordance with section 414C(11) of Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic Report which otherwise would be required to be disclosed in the Directors' report.

Going concern

The Company's business activities, together with the factors likely to affect its future development and performance are set out in the Business Review. The Strategic Report details the financial position of the Company, as well as the Company's objectives and policies, and details of its exposures to credit risk and liquidity risk.

After making enquiries, the Directors have formed a judgement at the time of approving the financial statements that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Auditor

In accordance with the provisions of Section 418 of the Companies Act 2006, each of the persons who are Directors of the Company at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director to make himself/ herself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them was approved by the Board of Directors on 15 March 2019.

By Order of the Board,

C. Taylor

C J Taylor
Director

Grant Way
Isleworth
Middlesex
TW7 5QD

15 March 2019

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

Auditor's report (continued)

Independent Auditor's report to the members of Cymru International Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Cymru International Limited:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

- the Profit and Loss account;
- the Balance Sheet;
- the Statement of Changes in Equity and;
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Auditor's report (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in respect of these matters.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Auditor's report (continued)

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

We have nothing to report in respect of these matters.

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.

Jon Young

Jon Young (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

15th March 2019

Profit and Loss Account

For the year ended 30 June 2018

	Notes	2018	2017
		£	£
Turnover	3	**14,631**	103,356
Administrative expenses	4	**(9,387)**	(91,903)
Profit on ordinary activities before taxation	5	**5,244**	11,453
Tax on profit on ordinary activities	7	**-**	(1,112)
Profit for the financial year		**5,244**	10,341

All results are derived from continuing operations.

The accompanying notes on pages 12 to 17 are an integral part of these financial statements.

For the years ended 30 June 2018 and 30 June 2017, the Company did not have any other items of Comprehensive Income. Accordingly, no separate Statement of Comprehensive Income is presented.

Balance Sheet

As at 30 June 2018

	Notes	**2018**	2017
		£	£
Non-current assets			
Deferred tax assets	9	**-**	-
Current assets			
Trade and other receivables	8	**355,278**	431,003
VAT receivable		**1,471**	-
Total assets		**356,749**	431,003
Current liabilities			
Trade and other payables: amounts falling due within one year	10	**53,316**	134,123
VAT payable		**1,309**	-
Current tax liabilities	7	**-**	-
Total liabilities		**54,625**	134,123
Share capital	11	**2**	2
Profit and loss account	12	**302,122**	296,878
Total equity attributable to equity shareholders		**302,124**	296,880
Total liabilities and shareholders' equity		**356,749**	431,003

As at 30 June 2018 and 30 June 2017, the Company did not have any cash or cash equivalents. Accordingly, no cash flow statement or reconciliation of operating profit to cash flows from operating activities has been prepared.

The financial statements of Cymru International Limited, registered number 05536376 were approved by the Board of Directors on 15 March 2019 and were signed on its behalf by:

C R Jones

Director,

15 March 2019

Statement of Changes in Equity
For the year ended 30 June 2018

	Share capital £	Profit and loss account £	Total £
Balance at 30 June 2016	**2**	**286,537**	**286,539**
Profit for the period	-	10,341	10,341
Total comprehensive income for the period	**-**	**10,341**	**10,341**
Balance at 30 June 2017	**2**	**296,878**	**296,880**
Profit for the period	-	5,244	5,244
Total comprehensive income for the period	**-**	**5,244**	**5,244**
Balance at 30 June 2018	**2**	**302,122**	**302,124**

Notes to the financial statements

1. General information

Cymru International Limited (the "Company") is a private company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is *Grant Way, Isleworth, Middlesex, TW7 5QD* and the registered number is 05536376. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 2 to 4.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has not applied the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

2. Significant Accounting policies

Basis of accounting

As permitted by FRS 101, the Company has taken advantage of all relevant disclosure exemptions available under that standard in relation to business combinations, financial instruments, presentation of comparative information in respect of certain assets, standards not yet effective, presentation of a cash-flow statement, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of Sky. The group accounts of Sky are available to the public and can be obtained as set out in note 14.

The financial statements have been prepared on the historical cost basis, as described in the accounting policies below. The Company has adopted the new accounting pronouncements which became effective this year, none of which had a material impact on the Company's results or financial position.

The Company maintains a 52 or 53 week fiscal year ending on the Sunday nearest to 30 June in each year. In fiscal year 2018, this date was 1 July 2018 this being a 52 week year (fiscal year 2017: 2 July 2017, 52 week year). For convenience purposes, the Company continues to date its financial statements as at 30 June. The Company has classified assets and liabilities as current when they are expected to be realised in, or intended for sale or consumption in, the normal operating cycle of the Company.

The principal accounting policies adopted are set out below.

Going concern

The financial statements have been prepared using the going concern basis of accounting. For further details of the Directors' assessment of the going concern basis of accounting please refer to the Directors' Report on page 4.

Notes to the financial statements (continued)

2. Significant Accounting policies (continued)

Revenue recognition

Revenue represents amounts receivable for marketing and distribution of television programmes net of VAT.

Turnover from the distribution of programmes is recognised when a contract has been executed by both the Company and licensee and the relevant programmes have been delivered to the broadcaster. Distribution revenue from programmes or formats distributed by third parties and other ancillary revenues are recognised once the Company has been notified of the sums due to it. Any fees received in advance, which do not meet all the above criteria, are included in deferred income until the above criteria are met.

Tax

UK corporation tax is provided at current 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which carried forward tax losses can be offset and from which the future reversal of underlying timing differences can be deduced.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Trade and Other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments and, where no stated interest rate is applicable, are measured at the original invoice amount. Where discounting is material, trade and other receivables are measured at amortised cost using the effective interest method. An allowance account is maintained to reduce the carrying value of trade and other receivables for impairment losses identified from objective evidence, with movements in the allowance account, either from increased impairment losses or reversals of impairment losses, being recognised in the Profit and Loss Account.

Trade and Other Payables

Trade and other payables are non-derivative financial liabilities and are measured at amortised cost using the effective interest method. Trade and other payables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial.

Notes to the financial statements (continued)

2. Significant Accounting policies (continued)

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

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after 1 July 2018.

These new pronouncements are listed below:

- IFRIC 22 *'Foreign Currency Transactions and Advanced Consideration'* (effective 1 January 2018)
- Amendments to IAS 40 *'Investment Properties'* (effective 1 January 2018)
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective 1 January 2019)*
- Amendments to IAS 28 'Investments in Associates and Joint Ventures - Long term interests (effective 1 January 2019)*
- Annual Improvements to IFRS Standards 2015-2017 (effective 1 January 2019)*
- Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020)*

Critical accounting judgements and key sources of estimation uncertainty

Certain accounting policies are considered to be critical to the Company. An accounting policy is considered to be critical if its selection or application materially affects the Company's financial position or results. The Directors are required to use their judgement in order to select and apply the Company's critical accounting policies.

Due to the nature of the Company and its activities, no critical accounting policies, judgements or key areas of estimation uncertainty have been identified under IAS 1.

3. Turnover

The revenue and profit before taxation are attributable to the one principal activity of the Company, being the marketing and distribution of television programmes.

4. Administrative expenses

	2018	2017
	£	£
Programme costs	**6,753**	77,754
Sales, general and administration	**2,634**	14,149
	9,387	91,903

There were no staff costs for the year ended 30 June 2018 (30 June 2017: £nil)

Directors' remuneration for the year ended 30 June 2018 was £nil (30 June 2017: £nil)

5. Profit for the financial year

Profit for the year has been arrived at after charging:	**2018**	2017
	£	£
Foreign exchange differences	**63**	241

6. Auditor's remuneration

Amounts paid to the auditor for the audit of the Company's annual accounts of £10,000 (2017: £10,000) were borne by another Group subsidiary in both the current and prior years. No amounts for other services have been paid to the auditor.

7. Tax

	2018	2017
	£	£
Current tax expense (credit)		
Current year	-	-
Indirect tax	-	-
Total current tax charge (credit)	-	-
Deferred tax expense		
Deferred tax charge (note 9)	-	1,112
Total deferred tax charge (credit)	-	1,112
Tax	-	1,112

Corporation tax is calculated at 19.0% (2017 19.75%) of the estimated taxable profit for the year.

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	2018	2017
	£	£
Profit / (Loss) before tax	**5,244**	11,453
Tax at the UK corporation tax rate of 19.0% (2017: 19.75%)	**996**	2,262
Effect of change in tax rate (note 9).	-	(44)
Group relief claimed for £nil consideration	**(996)**	(1,106)
Tax Charge (Credit)	-	1,112

8. Trade and other receivables

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	-	21,806
Amounts owed by other Group companies [a]	**355,278**	409,197
	355,278	431,003

a) Amounts owed by other Group companies

These are amounts receivable from other Group companies totalling £355,278 (2017: £409,197); these balances are non-interest bearing and repayable on demand.

9. Deferred Tax

	2018	2017
	£	£
Balance as at 30 June 2017	-	1,112
(Charge)/Credit to profit or loss	-	(1,156)
Effect of change in tax rate	-	44
Balance as at 30 June 2018	-	-

10. Trade and other payables

	2018	2017
	£	£
Amounts falling due within one year:		
Accruals	**52,441**	134,123
Deferred income	**875**	-
	53,316	134,123

11. Share capital

	2018	2017
	£	£
Issued, fully paid and authorised:		
2 (2017: 2) ordinary shares of £1 (2017: £1) each	**2**	2

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

Notes to the financial statements (continued)

12. Profit and loss account

	Profit and loss account £
Balance as at 1 July 2016	286,537
Profit for the year	10,341
Balance as at 1 July 2017	296,878
Profit for the year	5,244
Balance as at 30 June 2018	**302,122**

13. Dividends

No dividends were declared or paid during the year (2017: £nil).

Dividends are paid between Group companies out of profits available for distribution subject to, inter alia, the provisions of the companies' articles of association and the Companies Act 2006.

14. Controlling party

The company is a wholly-owned subsidiary undertaking of Parthenon Entertainment Limited, a company incorporated in the United Kingdom and registered in England and Wales. As at 30 June 2018, the Company was ultimately controlled by Sky plc (now renamed Sky Limited) ("Sky") and operated together with Sky's other subsidiaries, as a part of the Group. As at 30th June 2018, Sky plc (now renamed Sky Limited) was the largest and smallest group of which the company was a member and for which group financial statements were prepared.

The consolidated financial statements of the Group are available to the public and may be obtained from the Company Secretary at the registered address, Sky Ltd, Grant Way, Isleworth, Middlesex, TW7 5QD.

15. Post Balance Sheet Event

On 9 October 2018 the offer by Comcast Bidco Limited, an indirect wholly-owned subsidiary of Comcast Corporation, to acquire the entire issue and to be issued share capital of Sky plc (now renamed Sky Limited) became wholly unconditional. As a result, and as of that date, the ultimate controlling party of the Company is now Comcast Corporation.