

Registered number: 08387396

LIBERTY GLOBAL VENTURES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



LIBERTY GLOBAL VENTURES LIMITED

COMPANY INFORMATION

Directors	J L Evans B H Hall A V Salvato
Registered number	08387396
Registered office	Griffin House 161 Hammersmith Road London W6 8BS
Independent auditor	KPMG LLP 1 St Peter's Square Manchester M2 3AE

LIBERTY GLOBAL VENTURES LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Directors' responsibilities statement	3
Independent auditor's report to the member of Liberty Global Ventures Limited	4 - 6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 21

LIBERTY GLOBAL VENTURES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and audited financial statements of Liberty Global Ventures Limited (the "company") for the year ended 31 December 2021.

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 investments of the company are shown in note 9.

At 31 December 2021 the company was a direct wholly-owned subsidiary of Liberty Global plc. The 2021 Liberty Global Annual Report is available to the public and may be obtained from the Liberty Global's website at www.libertyglobal.com, or from the company secretary, Liberty Global plc, Griffin House, 161 Hammersmith Road, London, UK, W6 8BS.

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

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.

Liberty Global plc group ("Liberty Global" or "the group") 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 continuing operations comprise businesses that provide residential and business-to-business (B2B) communications services in (i) Switzerland and Slovakia through certain wholly-owned subsidiaries that the group collectively refer to as "UPC Holding", (ii) Belgium through Telenet Group Holding N.V. (Telenet), a 60.8%-owned subsidiary, and (iii) Ireland through another wholly-owned subsidiary (VM Ireland). In addition, the group own 50% noncontrolling interests in (a) a 50:50 joint venture with Vodafone Group plc (Vodafone) (the VodafoneZiggo JV), which provides residential and B2B communication services in the Netherlands, and (b) a 50:50 joint venture with Telefónica SA (Telefónica) (the VMO2 JV), which provides residential and B2B communication services in the United Kingdom (UK). In addition, Liberty Global's global investment arm has investments in more than 75 companies and funds in the fields of content, technology, and infrastructure, including strategic stakes in companies such as Plume Design, Inc., ITV plc, Lions Gate Entertainment Corp, Univision Holdings Inc., the Formula E racing series and several regional sports networks.

At 31 December 2021 Liberty Global deliver market-leading products through next-generation networks that connect retail and wholesale customers subscribing to over 85 million broadband internet, video, fixed-line telephony and mobile services across Liberty Global's brands.

Results and dividends

The profit for the year, after tax, amounted to \$308,901,000 (2020 - \$148,785,000).

The directors have not recommended an ordinary dividend (2020 - \$nil).

Directors

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

J L Evans
B H Hall
A V Salvato

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.

Going concern

After making suitable enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements. Consideration of the on-going 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 they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

LIBERTY GLOBAL VENTURES LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Auditor

KPMG LLP will be reappointed in accordance with 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 12 September 2022 and signed on its behalf.



J L Evans
Director

LIBERTY GLOBAL VENTURES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 also 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY GLOBAL VENTURES LIMITED

Opinion

We have audited the financial statements of Liberty Global Ventures Limited ("the company") for the year ended 31 December 2021 which comprise the profit and loss account, 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 2021 and of its profit 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Liberty Global PLC's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as impairment. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks. We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards) and from inspection of the company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

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

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

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

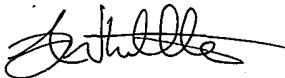
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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.

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

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.



Antony Whittle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

13 September 2022

LIBERTY GLOBAL VENTURES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$000	2020 \$000
Administrative expenses		(657)	6,341
Other operating income/(expenses)		346,029	(212,631)
Operating profit/(loss)	4	345,372	(206,290)
Finance income	6	8,741	391,569
Finance costs	7	(45,212)	(36,494)
Profit before tax		308,901	148,785
Income tax expense	8	-	-
Profit for the year		308,901	148,785

The notes on pages 10 to 21 form part of these financial statements.

There was no other comprehensive income or expenditure for 2021 or 2020 other than that included in the profit and loss account.

All results were derived from continuing operations.

LIBERTY GLOBAL VENTURES LIMITED
REGISTERED NUMBER:08387396

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 \$000	2020 \$000
Fixed assets			
Investments	9	712,789	770,716
		<u>712,789</u>	<u>770,716</u>
Current assets			
Debtors: amounts falling due after more than one year	10	93,566	94,862
Debtors: amounts falling due within one year	10	246,884	393
Cash and cash equivalents		26	24
		<u>340,476</u>	<u>95,279</u>
Creditors: amounts falling due within one year	11	(9,972)	(46,836)
		<u>330,504</u>	<u>48,443</u>
Net current assets		330,504	48,443
Total assets less current liabilities		1,043,293	819,159
Creditors: amounts falling due after more than one year	12	(407,641)	(492,408)
		<u>635,652</u>	<u>326,751</u>
Net assets		635,652	326,751
Capital and reserves			
Share capital	14	-	-
Share premium account	15	107,050	107,050
Retained earnings	15	528,602	219,701
		<u>635,652</u>	<u>326,751</u>
Total shareholder's funds		635,652	326,751

The company's financial statements have been delivered in accordance with the provisions applicable to entities 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 12 September 2022.



J L Evans
 Director

The notes on pages 10 to 21 form part of these financial statements.

LIBERTY GLOBAL VENTURES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital \$000	Share premium account \$000	Retained earnings \$000	Total shareholder's funds \$000
Balance as at 1 January 2021	-	107,050	219,701	326,751
Comprehensive income for the year				
Profit for the year	-	-	308,901	308,901
Total comprehensive income for the year	-	-	308,901	308,901
Balance as at 31 December 2021	-	107,050	528,602	635,652

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital \$000	Share premium account \$000	Retained earnings \$000	Total shareholder's funds \$000
Balance as at 1 January 2020	-	107,050	70,916	177,966
Comprehensive income for the year				
Profit for the year	-	-	148,785	148,785
Total comprehensive income for the year	-	-	148,785	148,785
Balance as at 31 December 2020	-	107,050	219,701	326,751

The notes on pages 10 to 21 form part of these financial statements.

LIBERTY GLOBAL VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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, subject to the small companies regime 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 the 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 Accounting Standards in conformity with the requirements of the Companies Act 2006 ("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 Accounting Standards in conformity with the requirements of the Companies Act 2006 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;
- 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 disclosure:

- Certain disclosure required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments Disclosures.

2.2 Going concern

The financial statements have been approved on the assumption that the company will continue to be a going concern.

The going concern assessment of Liberty Global Ventures Limited is performed as that a subsidiary of Liberty Global. 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 twelve months from the approval of these financial statements.

LIBERTY GLOBAL VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 twelve 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 twelve months from the date of approval of the financial statements and have prepared the financial statements on a going concern basis. Consideration of the on-going 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 Finance income and finance costs

Finance income and costs are recognised as interest receivable and payable accrued according to the effective interest rate method, which uses the rate that discounts estimated future cash receipts and pays through the expected life of the financial instrument to the net carrying amount. Foreign currency gain and loss is reported on a net basis in the profit and loss account as part of finance income if a net gain and as part of finance costs if a net loss (see note 2.12 on foreign currencies policy).

2.5 Investments

Investments in subsidiary

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

Investments in fixed asset investment

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.

2.6 Trade and other debtors

Trade and other debtors are initially measured at fair value and subsequently reported at amortised cost, net of an allowance for impairment of trade debtors.

The company uses a forward looking impairment model which uses a lifetime expected loss allowance which is estimated based upon our assessment of anticipated loss related to uncollectible accounts receivable. We use a number of factors in determining the allowance, including, among other things, collection trends, prevailing and anticipated economic conditions, and specific customer credit risk. The allowance is maintained until either payment is received or the likelihood of collection is considered to be remote.

LIBERTY GLOBAL VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

2.8 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.

Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

2.9 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 using the effective interest method.

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.

Borrowings are classified as creditors: amounts falling due within one year unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period in which case they are classified as creditors: amounts falling due after more than one year.

2.10 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.

The group has established policies and procedures to govern the management of its exposure to interest rate and foreign currency exchange risks, through the use of derivative financial instruments, including interest rate swaps, cross-currency, interest rate swaps and foreign currency forward rate contracts.

While these instruments are subject to the risk of loss from changes in market price, 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 measurements of our equity-related derivative instruments are based on binomial option pricing models, which requires 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.

2.11 Non derivative financial instruments

Cash and cash equivalents, current trade and other debtors, related-party debtors and payables, certain other current assets, creditors, certain accrued liabilities and value-added taxes (VAT) payable represent financial instruments that are initially recognised at fair value and subsequently carried at amortised cost. Due to their relatively short maturities, the carrying values of these financial instruments approximate their respective fair values.

Loans and other debtors are financial assets with fixed or determinable payments that are not quoted in an active market. Such loans and other debtors are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and debtors are measured at amortised cost using the effective interest method, less any impairment losses.

LIBERTY GLOBAL VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 Non derivative financial instruments (continued)

The company initially recognises loans and receivables on the date they are originated. All other financial assets (including assets designated as fair value through the statement of profit or loss) are recognised initially on the trade date, which is the date that the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

The company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

2.12 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.

2.13 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.

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.

LIBERTY GLOBAL VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.13 Deferred tax (continued)

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 preparing these financial statements, management has made estimates and judgements that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and assumptions

Carrying value of investments in subsidiary undertaking

Investments in subsidiary undertaking 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.

Carrying value of fixed assets investment

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 and affiliate debtors

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

Fair value measurement of financial instruments

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 (see note 13).

Judgements

Recoverability of 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.

LIBERTY GLOBAL VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Operating profit/(loss)

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

	2021 \$000	2020 \$000
Net gain/(loss) on fair value movement of fixed asset investments	346,029	(212,749)
Dividend income received	-	101
Net gain on foreign currency translation	-	8,081
	346,029	(204,567)

Net gain on fair value movement on fixed asset investments of \$346,029,000 (2020 – net loss of \$212,749,000) is disclosed in note 9.

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

The directors received no remuneration for qualifying services as directors of the company.

Auditor's remuneration of \$24,000 (£17,000) (2020 - \$28,300 (£20,000)) for the audit of the financial statements has been borne by a fellow group undertaking and not recharged.

5. Employees

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

6. Finance income

	2021 \$000	2020 \$000
Interest on amounts owed by group undertakings	132	19,147
Interest on amounts owed by affiliate	8,460	8,175
Net gain on derivative financial instruments	-	364,243
Other finance income	149	4
	8,741	391,569

Recoverability of affiliate debtors is assessed annually. Based on the impairment review of affiliate indebtedness as at 31 December 2021, the directors concluded on a release of provision against amount due from affiliate totalling \$149,000 (2020 - \$55,000).

7. Finance costs

	2021 \$000	2020 \$000
Interest on amounts owed to group undertakings	30,382	22,445
Bank interest payable	5,579	14,010
Net loss on derivative financial instruments	4,414	-
Net loss on foreign currency translation	4,837	-
Other finance charges	-	39
	45,212	36,494

LIBERTY GLOBAL VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Income tax expense

Tax expense included in profit or loss:

	2021 \$000	2020 \$000
Current tax		
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Tax on profit	-	-

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 \$000	2020 \$000
Profit before tax	308,901	148,786
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	58,691	28,269
Effects of:		
Expenses not deductible for tax purposes	939	1,755
Income not taxable for tax purposes	(9,217)	-
Deferred tax not recognised	-	46,798
Group relief claimed without payment	(50,413)	(67,011)
Net effect of tax rate change on deferred tax	-	(9,811)
Tax expense	-	-

Factors affecting current and future tax charges

In March 2021, legislation was introduced to increase the UK corporate income tax rate from 19% to 25% from 1 April 2023. This rate change was substantively enacted on 24 May 2021 and enacted on 10 June 2021 (Finance Bill 2021).

The effect of the increased tax rate on the recognised deferred tax balances is reflected in the balance sheet position at 31 December 2021.

Gross deferred tax assets in respect of temporary differences on revaluation of investments of \$956,895,000 (2020 - \$685,220,000) 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.

LIBERTY GLOBAL VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Fixed asset investments

	Investments in subsidiary undertakings \$000	Fixed asset investments \$000	Total \$000
Cost or valuation			
At 1 January 2021	7,973	762,743	770,716
Additions	1,370	-	1,370
Disposals	-	(405,326)	(405,326)
Revaluations	-	346,029	346,029
At 31 December 2021	9,343	703,446	712,789
Net book value			
At 31 December 2021	9,343	703,446	712,789
At 31 December 2020	7,973	762,743	770,716

On 27 February 2021, the company subscribed to 2 additional shares in Catalyst Newco 1 Limited for a consideration of \$1,370,000.

On 15 May 2021, the company disposed of its investments in a fixed asset investment to fellow group undertakings for a consideration of \$405,326,000.

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 investments in which the company holds at least 20% of the 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			
Sandbox Edutainment Holdings Limited	Ordinary	50%	Holding
Catalyst Newco 3 Limited	Ordinary	50%	Holding

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

LIBERTY GLOBAL VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Fixed asset investments (continued)

Fixed Asset Investments

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

ITV

The company owned 398,515,510 (2020 – 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 2021, the most current publicly available information.

The ITV investment is held at market value and was subsequently revalued to \$596,296,000 (2020 - \$581,006,000) at the balance sheet date. The directors consider market value to equal fair value.

Lionsgate

The company owned 4.0 million (2020 - 4.0 million) voting shares, and 2.5 million (2020 – 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.

The Lionsgate investment is held at market value and was subsequently revalued to \$105,866,000 (2020 - \$71,998,000) at the balance sheet date. The directors consider market value to equal fair value.

Eros STX Global Corporation (ErosSTX)

The ErosSTX investment is held at market value and was subsequently revalued to \$1,283,000 (2020 - \$9,738,000) at the balance sheet date. The directors consider market value to equal fair value.

10. Trade and other debtors

	2021 \$000	2020 \$000
Due after one year		
Amounts owed by group undertakings	1,040	1,900
Amounts owed by affiliates	92,526	92,962
	93,566	94,862
	2021 \$000	2020 \$000
Due within one year		
Amounts owed by group undertakings	245,814	15
Amounts owed by affiliates	1,070	378
	246,884	393

Amounts owed by group undertakings due after one year represents a loan note which had a carrying value of \$1,040,000 (2020 - \$1,900,000) at the balance sheet date. The loan note is denominated in US dollars, bears interest of 6.91% and matures in 2030.

Amounts owed by affiliates due after one year represents a loan note owed by DLG Acquisitions Limited which had a carrying value of \$92,526,000 (2020 - \$92,962,000) at the balance sheet date. The loan note is denominated in sterling, bears interest of 8.3% and matures in 2027.

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

LIBERTY GLOBAL VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Creditors: Amounts falling due within one year

	2021 \$000	2020 \$000
Amounts owed to group undertakings	9,857	4,579
Accruals and deferred income	115	4,004
Derivative financial instruments (note 13)	-	38,253
	<u>9,972</u>	<u>46,836</u>

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

12. Creditors: Amounts falling due after more than one year

	2021 \$000	2020 \$000
Amounts owed to group undertakings	407,641	361,050
Derivative financial instruments (note 13)	-	131,358
	<u>407,641</u>	<u>492,408</u>

Amounts owed by group undertakings falling due after more than one year represents a loan note which had a carrying value of \$407,641,000 (2020 - \$361,050,000) at the balance sheet date. The loan note is denominated in US dollars, bears interest of 7.02% and matures in 2026. The company may make additional advancements or repay all or part of the outstanding principal at any time prior to the maturity date.

LIBERTY GLOBAL VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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, Lionsgate and ErosSTX, 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.

	2021 \$000	2020 \$000
Financial assets		
Financial assets measured at fair value through profit or loss	703,472	762,767
Financial assets measured at amortised cost	340,450	95,255
	1,043,922	858,022
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	-	169,611
Financial liabilities measured at amortised cost	417,613	369,633
	417,613	539,244

Certain of the ITV shares we held were subjected 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 had the right to re-use all of the pledged ITV shares. The ITV Collar effectively hedged 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. During 2021, the company completed the unwind of the ITV collar and cash settled all remaining amounts under the ITV Collar Loan. At 31 December 2021, the ITV Collar and ITV Collar Loan had been fully settled.

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents and fixed asset investments.

Financial assets measured at amortised cost comprise amounts owed by group undertakings, amounts owed by affiliates and other receivables.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings and accruals.

Loan instruments comprised the ITV collar, borrowings less issue costs under the ITV collar detailed overleaf.

LIBERTY GLOBAL VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Financial instruments (continued)

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

	2021 \$000	2020 \$000
Financial instruments in current liabilities (note 11)	-	38,253
Financial instruments in non-current liabilities (note 12)	-	131,358
	-	169,611
	-	169,611

The ITV Collar comprised (i) purchased put options exercisable by the company and (ii) written call options exercisable by the counterparty. The ITV Collar effectively hedged the value of the 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. During 2021, the company completed the unwind of the ITV Collar.

The ITV Collar and related borrowing agreement also provided the company with the ability to borrow against the value of its ITV shares. Certain of the ITV shares the company held were subject to the ITV Collar, which were held in a custody account and were pledged under the ITV Collar Loan. The ITV Collar Loan, which had maturity dates consistent with the ITV Collar and contains no financial covenants, provided for customary representations and warranties, events of default and certain adjustment and termination events. Under the terms of the ITV Collar, the counterparty had the right to re-use the pledged ITV shares held in the custody account, but the company had the right to recall the shares that are re-used by the counterparty subject to certain costs. In addition, the counterparty retained dividends on the ITV shares that the counterparty would need to borrow from the custody account to hedge its exposure under the ITV Collar. During 2021, the company completed the unwind of the ITV Collar and cash settled all remaining amounts under the ITV Collar Loan. At 31 December 2021, the ITV Collar and ITV Collar Loan had been fully settled.

14. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
14 (2020 - 14) Ordinary shares of £10 each	140	140
	140	140
	140	140

15. Reserves

Share premium account

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

Retained earnings

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

16. Controlling parties

The company's immediate parent undertaking and ultimate controlling party at 31 December 2021 is Liberty Global plc, a company incorporated in the UK.

The smallest and largest group of which the company is a member and in to which the company's accounts were consolidated at 31 December 2021 is Liberty Global plc.

Copies of group accounts referred to above which include the results of the company are available on Liberty Global's website at www.libertyglobal.com or from the company secretary, Liberty Global plc, Griffin House, 161 Hammersmith Road, London, UK, W6 8BS.