Southbank Media Limited

Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Information</td>
<td>1</td>
</tr>
<tr>
<td>Strategic Report</td>
<td>2 to 3</td>
</tr>
<tr>
<td>Directors' Report</td>
<td>4 to 5</td>
</tr>
<tr>
<td>Statement of Directors' Responsibilities</td>
<td>6</td>
</tr>
<tr>
<td>Independent Auditors' Report</td>
<td>7 to 9</td>
</tr>
<tr>
<td>Profit and Loss Account</td>
<td>10</td>
</tr>
<tr>
<td>Balance Sheet</td>
<td>11</td>
</tr>
<tr>
<td>Statement of Changes in Equity</td>
<td>12</td>
</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>13 to 22</td>
</tr>
</tbody>
</table>
Southbank Media Limited

Company information

Directors
Mr T Davis
Ms R Weekes

Company Secretary
Dentons
One Fleet Place
London
EC4M 7WS
United Kingdom

Registered office
One Fleet Place
London
EC4M 7WS
United Kingdom

Independent Auditors
PricewaterhouseCoopers LLP
Statutory Auditor
1 Embankment Place
London
WC2N 6RH
United Kingdom

Bankers
HSBC Bank Plc
89 Buckingham Palace Road
Belgravia
London
SW1W 0QL
United Kingdom

Solicitors
Dentons
One Fleet Place
London
EC4M 7WS
United Kingdom
Southbank Media Limited

Strategic Report
for the Year Ended 31 December 2018

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

Principal activities
The Company operates as a holding company. The directors intend to keep the Company operational for the foreseeable future.

Business review and future developments
The Company continues to operate as a holding company. The future business developments are expected to be limited to continuing to support the acquisition and holding of investment opportunities within the media and entertainment industry.

During 2018, the Company wrote off certain investments totalling £40,455,667 that were deemed to be impaired based upon economic conditions that differ from those forecasted in previous periods.

The loss for the year after taxation was £26,159,671 (loss 2017: £19,957,451). The year-over-year losses have increased which was largely driven by the £56,909,596 impairment recognised in 2017 compared to £40,455,667 in 2018.

Principal risks and uncertainties
The Company's activities expose it primarily to financial risks including liquidity risk and cash flow risk.

Liquidity Risk

In order to maintain liquidity and ensure that sufficient funds are available for ongoing operations, management reviews cash flow forecasts on a monthly basis, ensuring future payments and receipts are matched as required. The Group also relies on Discovery, Inc. for funding and a letter of support has been provided.

Cash Flow Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and it seeks to manage this exchange rate risk through on-going management review.

Subsequent events

On 11 April 2019, the Company contributed 47.8% of interest in TVN SA to N-Vision B.V. for a consideration of £781.3m. The settlement was done in exchange of 56,249,768 newly issued Company shares.

On June 11, 2019 the Company and BBC studios dissolved their 50/50 joint venture, UKTV a British multi-channel Broadcaster, with the Company taking full control of UKTV's three lifestyle channels and receiving £106m consideration paid in instalments. BBC studios will take full control of UKTV's seven entertainment channels.

On 1 July, 2019, the Company contributed a €160m note to N-Vision in exchange for additional shares.
Strategic Report
for the Year Ended 31 December 2018

Key performance indicators
The Company operates as a holding company, the directors do not believe key performance indicators are necessary for an understanding of the development, performance or position of the business. The group's key performance indicators are discussed in the Discovery, Inc. Annual Report and Accounts for the year ended 31 December 2018 which does not form part of this Annual report.

Approved by the Board on 24/03/19, and signed on its behalf by:

...........................................
R Weekes
Director
Directors' Report
for the Year Ended 31 December 2018

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

Results and Dividends
The loss for the year after taxation was £26,159,671 (2017: £19,957,451).

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

Strategic report
The information that fulfils the Companies Act requirements of the business review is included within the strategic report. This includes a review of the development of the business and financial risk management.

Directors of the Company
The directors who held office during the year were as follows:

Mr T Davis (appointed 31 May 2018)
Ms R Weekes (appointed 1 July 2018)
Mr D Chang (resigned 5 April 2018)
Mr P A Crum-Ewing (resigned 1 October 2018)
Mr P Luff (resigned 31 May 2018)
Mr J Samples (resigned 31 May 2018)
Mr J Viterisi (resigned 31 May 2018)

Going concern
The Company is dependent on the continuing support of and funding from their ultimate parent company Discovery, Inc. ("Discovery"). A letter of support has been obtained by the directors to confirm the intention to support the Company in the future. Discovery has confirmed that they will not seek repayment of money owed until the Company is able to do so.

Discovery has confirmed that it intends to continue to provide sufficient funding to enable the Company to meet its liabilities as they fall due and to carry on business for a period of at least twelve months from the date of approval of these accounts. The directors, having received this confirmation from Discovery, have prepared the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a failure of Discovery to provide the necessary financial support.
Southbank Media Limited

Directors' Report
for the Year Ended 31 December 2018

Disclosure of information to the auditors
Each of the persons who is a director at the date of approval of this report confirms that:

• so far as the director is aware, there is no relevant audit information 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 in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

PricewaterhouseCoopers LLP have been confirmed as auditor for 2018 and have indicated their willingness to be reappointed for another year.

Approved by the Board on 24/02/19 and signed on its behalf by:

\[Signature\]
R Weekes
Director
Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of 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 apply them consistently;
• make judgements and accounting estimates that are reasonable and prudent;
• state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.
Independent Auditors' Report

to the Members of Southbank Media Limited

Report on the audit of the financial statements

Opinion
In our opinion, Southbank Media Limited’s financial statements:

- give a true and fair view of the state 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 (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2018; the Profit and Loss Account, the Statement of Changes in Equity for the year then ended and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern
ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of these matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company’s ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company’s trade, customers, suppliers and the wider economy.
Independent Auditors' Report

to the Members of Southbank Media Limited

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors 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.

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.
Independent Auditors' Report
to the Members of Southbank Media Limited

Auditors' 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 auditors' 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 FRC's
website at: www.frc.org.uk/auditorresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in
accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving
these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report
is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting
Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:
• we have not received all the information and explanations we require for our audit; or
• adequate accounting records have not been kept by the company, or returns adequate for our audit have not
been received from branches not visited by us; or
• certain disclosures of directors' remuneration specified by law are not made; or
• the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Paul Wheeler (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 30 September 2019
## Profit and Loss Account
for the year ended 31 December 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>2018 £</th>
<th>2017 £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(380,901)</td>
<td>(325,033)</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating loss</td>
<td>(380,901)</td>
<td>(325,033)</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>5</td>
<td>176,897</td>
</tr>
<tr>
<td>Amounts written off investments</td>
<td>8</td>
<td>(40,455,667)</td>
</tr>
<tr>
<td>Dividend income</td>
<td></td>
<td>14,500,000</td>
</tr>
<tr>
<td><strong>Loss before taxation</strong></td>
<td></td>
<td>(26,159,671)</td>
</tr>
<tr>
<td>Tax on loss</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td><strong>Loss for the financial year</strong></td>
<td></td>
<td>(26,159,671)</td>
</tr>
</tbody>
</table>

Operating profit/(loss) arises solely from continuing activities.

No gains or losses have been recognised during the year other than the loss shown above and therefore no statement of comprehensive income is presented.

The notes on pages 13 to 22 form an integral part of these financial statements.
Southbank Media Limited

Balance Sheet
as at 31 December 2018

Registration Number: 07471020

<table>
<thead>
<tr>
<th>Note</th>
<th>£ 2018</th>
<th>£ 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>8 1,507,326,960</td>
<td>1,521,874,699</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>9 156,592,576</td>
<td>8,074,599</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>10 26,653,357</td>
<td>37,241,606</td>
</tr>
<tr>
<td></td>
<td>183,245,933</td>
<td>45,316,205</td>
</tr>
<tr>
<td><strong>Creditors: Amounts falling due within one year</strong></td>
<td>11 (838,598)</td>
<td>(3,535,639)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>182,407,335</td>
<td>41,780,566</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,689,734,295</td>
<td>1,563,655,265</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called up share capital</td>
<td>12 2,001,013</td>
<td>2,001,012</td>
</tr>
<tr>
<td>Share premium account</td>
<td>13 1,526,186,998</td>
<td>1,773,948,298</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td>14 161,546,284</td>
<td>(212,294,045)</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,689,734,295</td>
<td>1,563,655,265</td>
</tr>
</tbody>
</table>

These financial statements were approved by the Board and authorised on 24/03/19 and signed on its behalf by:

R Weekes
Director

The notes on pages 13 to 22 form an integral part of these financial statements.
### Southbank Media Limited

#### Statement of Changes in Equity
for the Year Ended 31 December 2018

<table>
<thead>
<tr>
<th></th>
<th>Ordinary share capital £</th>
<th>Share Premium Account £</th>
<th>Profit and loss account £</th>
<th>Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2017</td>
<td>2,001,010</td>
<td>1,759,448,300</td>
<td>(192,336,594)</td>
<td>1,569,112,716</td>
</tr>
<tr>
<td>Loss for the year</td>
<td>-</td>
<td>-</td>
<td>(19,957,451)</td>
<td>(19,957,451)</td>
</tr>
<tr>
<td>Shares issued</td>
<td>2</td>
<td>14,499,998</td>
<td>-</td>
<td>14,500,000</td>
</tr>
<tr>
<td>At 31 December 2017</td>
<td>2,001,012</td>
<td>1,773,948,298</td>
<td>(212,294,045)</td>
<td>1,563,655,265</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Ordinary share capital £</th>
<th>Share Premium Account £</th>
<th>Profit and loss account £</th>
<th>Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2018</td>
<td>2,001,012</td>
<td>1,773,948,298</td>
<td>(212,294,045)</td>
<td>1,563,655,265</td>
</tr>
<tr>
<td>Loss for the year</td>
<td>-</td>
<td>-</td>
<td>(26,159,671)</td>
<td>(26,159,671)</td>
</tr>
<tr>
<td>Shares issued</td>
<td>1</td>
<td>152,238,700</td>
<td>-</td>
<td>152,238,701</td>
</tr>
<tr>
<td>Share premium reduction</td>
<td>-</td>
<td>(400,000,000)</td>
<td>400,000,000</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2018</td>
<td>2,001,013</td>
<td>1,526,186,998</td>
<td>161,546,284</td>
<td>1,689,734,295</td>
</tr>
</tbody>
</table>

The notes on pages 13 to 22 form an integral part of these financial statements.
Notes to the Financial Statements
for the Year Ended 31 December 2018

1 General information
Southbank Media Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act. The Company is a private Company limited by shares and is registered in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the Company’s operations and its principal activities are set out in the strategic report on page 2.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. Foreign operations are included in accordance with the policies set out below.

The level of rounding is to the nearest GBP (£) unless otherwise stated.

2 Accounting policies

Basis of Preparation
The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The Company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirements to prepare group accounts on the grounds that it is a wholly owned subsidiary of Discovery, Inc., a company registered in the United States of America. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent at December 31, 2018, Discovery, Inc., a company registered in the United States of America, which may be obtained from the corporate website: http://ir.corporate.discovery.com. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement.

Related Parties Transactions
The Company is a wholly owned subsidiary of Discovery, Inc., the consolidation accounts of which are publicly available.
Notes to the Financial Statements
for the Year Ended 31 December 2018

2 Accounting policies (continued)

Going Concern
The Company is dependent on the continuing support of and funding from their ultimate parent company Discovery, Inc. ("Discovery"). A letter of support has been obtained by the directors to confirm the intention to support the Company in future. Discovery has confirmed that they will not seek repayment of money owed until the Company is able to do so.

Discovery has confirmed that it intends to continue to provide sufficient funding to enable the Company to meet its liabilities as they fall due and to carry on business for a period of at least twelve months from the date of approval of these accounts. The directors having received this confirmation from Discovery, have prepared the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a failure of Discovery to provide the necessary financial support.

Investments
Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Foreign Currencies
Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the previous month end. All differences are taken to the profit and loss account.

Assets, liabilities, and results of overseas subsidiaries are translated at the rate of ruling at the balance sheet date. Exchange differences arising are dealt with through reserves.

Financial instruments
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities are initially recorded at transaction price, including transaction costs, unless the arrangement constitutes a financing transaction. The Company's financial assets and liabilities are payable or receivable within one year and are subsequently measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of any impairment.

Financial assets are de-recognised only where the contractual rights to the cash flows from the asset expire or are settled; or if the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity; or the Company despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.
Notes to the Financial Statements
for the Year Ended 31 December 2018

2 Accounting policies (continued)

Equity instruments
Equity instruments issued by the Company are recorded at the fair value of the cash or other resources received or receivable, net of direct issue costs.

Impairment of assets
Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit and loss.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company’s accounting policies, which are described in note 2, the directors are required to make to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimated and associated assumptions are based on historical experience and other factors that are 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the company’s accounting policies, management has made the following judgements and estimates, which have the most significant effect on the amounts recognised in the financial statements:

(i) Impairment of Investments in subsidiaries

Determining whether the Company’s investments in subsidiaries have been impaired requires estimation of the value of an investment where no external evaluation is available. Where a company is being wound down the Company assumes that the value of the investment would not exceed the net assets of the company.

The carrying amount of investments in subsidiaries at the balance sheet date was £1,507,326,960 (2017: £1,521,874,699) with impairment of £40,455,667 recognised during the year (2017: £56,909,596).

4 Operating profit/(loss)
Arrived at after charging/(crediting):

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Finance charges</td>
<td>370</td>
<td>385</td>
</tr>
<tr>
<td>TVN integration</td>
<td>-</td>
<td>269,799</td>
</tr>
<tr>
<td>Foreign exchange losses/(gains)</td>
<td>308,279</td>
<td>(30,804)</td>
</tr>
<tr>
<td>Other</td>
<td>45,252</td>
<td>64,153</td>
</tr>
<tr>
<td>Auditors’ fees</td>
<td>27,000</td>
<td>21,500</td>
</tr>
</tbody>
</table>

15
5 Other interest receivable and similar income

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income on financial assets</td>
<td>176,897</td>
<td>73,734</td>
</tr>
</tbody>
</table>

6 Auditors' remuneration

Fees payable of £27,000 (2017: £21,500) to PricewaterhouseCoopers LLP and their associates for the audit of the financial statements were settled on behalf of Southbank Media Limited by fellow Group company Scripps Networks International (UK) Limited.

7 Tax on loss

Tax charged in the profit and loss account:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total current tax provision</td>
<td>-</td>
<td>733,397</td>
</tr>
<tr>
<td>Total current tax</td>
<td>-</td>
<td>733,397</td>
</tr>
</tbody>
</table>

The tax on loss before tax for the year is lower than the standard rate of corporation tax in the UK (2017: lower than) of 19% (2017: 19.25%). The differences are reconciled below:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss before tax</td>
<td>(26,159,671)</td>
<td>(19,224,054)</td>
</tr>
<tr>
<td>Loss multiplied by the UK rate of tax</td>
<td>(4,970,337)</td>
<td>(3,699,972)</td>
</tr>
<tr>
<td>Effects of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses not deductible</td>
<td>7,686,647</td>
<td>11,011,569</td>
</tr>
<tr>
<td>Income not taxable</td>
<td>(2,755,000)</td>
<td>(7,301,543)</td>
</tr>
<tr>
<td>Effects of group relief / other reliefs</td>
<td>31,906</td>
<td>733,397</td>
</tr>
<tr>
<td>Losses</td>
<td>-</td>
<td>(10,055)</td>
</tr>
<tr>
<td>Deferred tax not recognised</td>
<td>-</td>
<td>6,784</td>
</tr>
<tr>
<td>Tax charge for the period</td>
<td>-</td>
<td>733,397</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements
for the Year Ended 31 December 2018

7 Tax on loss (continued)

*Factors affecting future tax charge for the financial year*
The main rate of UK corporation tax is 19% and falls to 17% from 1 April 2020.

*Deferred tax*
There are unrecognised deferred tax assets of £3,753,656 (2017: £3,739,109), made up of tax losses carried forward. This balance remains unrecognised as there is no present indication that it could be used against future taxable income or gains.

8 Investments

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost or valuation</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2018</td>
<td>1,770,784,295</td>
</tr>
<tr>
<td>Additions</td>
<td>25,907,928</td>
</tr>
<tr>
<td>At 31 December 2018</td>
<td>1,796,692,223</td>
</tr>
<tr>
<td><strong>Amounts written off</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2018</td>
<td>248,909,596</td>
</tr>
<tr>
<td>Impairment written off</td>
<td>40,455,667</td>
</tr>
<tr>
<td>At 31 December 2018</td>
<td>289,365,263</td>
</tr>
<tr>
<td><strong>Carrying amount</strong></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2018</td>
<td>1,507,326,960</td>
</tr>
<tr>
<td>At 31 December 2017</td>
<td>1,521,874,699</td>
</tr>
</tbody>
</table>
8 Investments (continued)

<table>
<thead>
<tr>
<th>Associated undertakings</th>
<th>Country of incorporation</th>
<th>Holding</th>
<th>Proportion of voting rights and shares held</th>
<th>Aggregate capital and reserves £000s</th>
<th>Loss/ (profit) for the year £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>All held by the company:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scripps Networks Interactive (Asia) Pte. Limited</td>
<td>Singapore</td>
<td>Ordinary</td>
<td>100%</td>
<td>9,398</td>
<td>(9,627)</td>
</tr>
<tr>
<td>Mangia Networks, Srl</td>
<td>Italy</td>
<td>Ordinary</td>
<td>100%</td>
<td>1,507</td>
<td>(905)</td>
</tr>
<tr>
<td>Scripps Networks International (UK) Limited</td>
<td>England &amp; Wales</td>
<td>Ordinary</td>
<td>100%</td>
<td>26,188</td>
<td>(36,774)</td>
</tr>
<tr>
<td>N-Vision B.V.</td>
<td>Netherlands</td>
<td>Ordinary</td>
<td>100%</td>
<td>791,163</td>
<td>(21)</td>
</tr>
<tr>
<td>Polish Television Holding B.V.</td>
<td>Netherlands</td>
<td>Ordinary</td>
<td>100%</td>
<td>488,991</td>
<td>276</td>
</tr>
<tr>
<td>TVN S.A.</td>
<td>Poland</td>
<td>Ordinary</td>
<td>100%</td>
<td>205,494</td>
<td>(32,772)</td>
</tr>
<tr>
<td>Scripps Networks Polska sp. Z o.o.</td>
<td>Poland</td>
<td>Ordinary</td>
<td>100%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Travel Channel India Private Ltd (*)</td>
<td>India</td>
<td>Ordinary</td>
<td>10%</td>
<td>128</td>
<td>(136)</td>
</tr>
<tr>
<td>UKTV Media Holdings Limited consolidated with UK Gold Holdings Limited</td>
<td>England &amp; Wales</td>
<td>Ordinary</td>
<td>50%</td>
<td>78,807</td>
<td>52,573</td>
</tr>
<tr>
<td>UK Gold Holdings Limited</td>
<td>England &amp; Wales</td>
<td>Ordinary</td>
<td>50%</td>
<td>Included above</td>
<td>Included above</td>
</tr>
</tbody>
</table>

(*) Travel Channel India Private Ltd fiscal year ended is 31 March.
8 Investments (continued)

On 4 January 2018 the Company purchased a further 1 share in Scripps Networks Interactive (Asia) Pte. Limited, a company incorporated in Singapore, for consideration of $4,500,000.

On 4 January 2018 the Company purchased a further 1 share in Scripps Networks International (UK) Limited, a company incorporated in England & Wales, for consideration of £6,000,000.

On 5 April 2018 the Company purchased a further 1 share in Scripps Networks International (UK) Limited, a company incorporated in England & Wales, for consideration of £6,000,000.

On 15 August 2018 the Company purchased a further 1 share in Scripps Networks Interactive (Asia) Pte. Limited, a company incorporated in Singapore, for consideration of $2,000,000.

On 27 November 2018 the Company purchased a further 1 share in Scripps Networks International (UK) Limited, a company incorporated in England & Wales, for consideration of £9,000,000.

On 5 January 2017 the Company purchased a further 1 share in Scripps Networks Interactive (Asia) Pte. Limited, a company incorporated in Singapore, for consideration of $4,600,000.

On 5 January 2017 the Company purchased 1,000,000 quotas in Mangia Networks, Srl, a company incorporated in Italy, for consideration of €1,000,000.

On 5 January 2017 the Company purchased a further 1 share in Scripps Networks International (UK) Limited, a company incorporated in England & Wales, for consideration of £6,000,000.

On 5 April 2017 the Company purchased a further 1 share in Scripps Networks Interactive (Asia) Pte. Limited, a company incorporated in Singapore, for consideration of $4,200,000.

On 5 April 2017 the Company purchased 1,000,000 quotas in Mangia Networks, Srl, a company incorporated in Italy, for consideration of €1,000,000.

On 5 April 2017 the Company purchased a further 1 share in Scripps Networks International (UK) Limited, a company incorporated in England & Wales, for consideration of £5,000,000.

On 5 July 2017 the Company purchased a further 1 share in Scripps Networks Interactive (Asia) Pte. Limited, a company incorporated in Singapore, for consideration of $2,000,000.

On 5 July 2017 the Company purchased 500,000 quotas in Mangia Networks, Srl, a company incorporated in Italy, for consideration of €500,000.

On 5 July 2017 the Company purchased a further 1 share in Scripps Networks International (UK) Limited, a company incorporated in England & Wales, for consideration of £5,000,000.

On 6 December 2017 the Company purchased a further 1 share in Scripps Networks International (UK) Limited, a company incorporated in England & Wales, for consideration of £1,000,000.
Southbank Media Limited

Notes to the Financial Statements
for the Year Ended 31 December 2018

9 Debtors

2018 2017
£ £
Amounts owed by group undertakings 156,592,576 8,074,599

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

10 Cash at bank and in hand

2018 2017
£ £
Cash at bank 26,653,357 37,241,606

11 Creditors: Amounts falling due within one year

2018 2017
£ £
Amounts owed to group undertakings 816,643 2,801,742
Other creditors 21,955 733,897
838,598 3,535,639

12 Called up share capital

Allocated, called up and fully paid shares

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>£</td>
</tr>
</tbody>
</table>
Ordinary shares of £1 each 2,001,013 2,001,013 2,001,012 2,001,012

On 31 December 2018 the Company issued 1 share in the Company for cash consideration of £152,238,700 to Scripps Media Luxembourg sarl.

On 6 April 2017 the Company issued 1 share in the Company for cash consideration of £5,500,000 to Scripps Media Investments II, sarl.
Notes to the Financial Statements
for the Year Ended 31 December 2018

12 Called up share capital (continued)
On 6 December 2017 the Company issued 1 share in the Company for cash consideration of £9,000,000 to Scripps Media Investments II, sarl.

13 Share premium reserve

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At beginning of year</td>
<td>1,773,948,298</td>
</tr>
<tr>
<td>Shares issued</td>
<td>152,238,700</td>
</tr>
<tr>
<td>Share reduction</td>
<td>(400,000,000)</td>
</tr>
<tr>
<td>At end of year</td>
<td>1,526,186,998</td>
</tr>
</tbody>
</table>

On 17 December 2018, the company undertook a capital reduction in the amount of GBP 400,000,000 converting share premium into a distributable reserve.

14 Profit and loss account

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>At beginning of year</td>
<td>(212,294,045)</td>
<td>(192,336,594)</td>
</tr>
<tr>
<td>Loss for the year</td>
<td>(26,159,671)</td>
<td>(19,957,451)</td>
</tr>
<tr>
<td>Share premium</td>
<td>400,000,000</td>
<td></td>
</tr>
<tr>
<td>Balance carried forward</td>
<td>161,546,284</td>
<td>(212,294,045)</td>
</tr>
</tbody>
</table>

15 Parent and ultimate parent undertaking
The company's immediate parent is Scripps Media Investments II, sarl.

The ultimate parent undertaking and controlling party as at year end is Discovery, Inc., which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Discovery, Inc's consolidated financial statements, which may be obtained from corporate website: http://ir.corporate.discovery.com.
Notes to the Financial Statements
for the Year Ended 31 December 2018

16 Subsequent events

On 11 April 2019 the Company contributed 47.8% of interest in TVN SA to N-Vision B.V. for a consideration of £781.3m. Settlement was done in exchange of 56,249,768 newly issued Company shares.

On June 11, 2019 the Company and BBC studios dissolved their 50/50 joint venture, UKTV a British multi-channel Broadcaster, with the Company taking full control of UKTV's three lifestyle channels and receiving £106m consideration paid in instalments. BBC studios will take full control of UKTV's seven entertainment channels.

On July 1, 2019, the Company contributed a €160m note to N-Vision in exchange for additional shares.