

# SKY TELEVISION LIMITED

Annual report and financial statements  
For the year ended 31 December 2021

Registered number: 01518707

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## Directors and Officers

For the year ended 31 December 2021

### Directors

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

C Smith	(resigned 30 November 2021)
P Wedlock	(appointed 25 November 2021)
T C Richards	
S Robson	

### Secretary

Sky Corporate Secretary Limited

### Registered office

Grant Way  
Isleworth  
Middlesex  
TW7 5QD

### Auditor

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

# Strategic and Directors' Report

## Strategic Report

The Directors present their Strategic and Directors' report on the affairs of the Company, together with the financial statements and Auditor's Report for the year ended 31 December 2021, with comparatives for the year ended 31 December 2020.

The purpose of the Strategic Report is to inform members of the Company and to help them assess how the Directors have performed their duty to promote the success of the Company for the benefit of its members as a whole under Section 172 of the Companies Act 2006 (duty to promote the success of the Company).

## Business review and principal activity

The Company is a wholly-owned subsidiary of Sky Limited (the immediate parent company). The company is ultimately controlled by Comcast Corporation ("Comcast") and operates together with Comcast's other subsidiaries as a part of the Comcast Group.

The Company's principal activity is to act as a holding Company for S.A.T.V Publishing Limited, to obtain loans on behalf of and issue loans to other Sky Group companies and to licence the Sky trademarks to other companies in the Sky Group. The Directors expect this activity to continue for the foreseeable future.

## Financial Review and Dividends

The audited financial statements for the year ended 31 December 2021 are set out on pages 9 to 20. The loss after tax for the year was £3,943,000 (2020: £4,156,000 loss). During the year the Company had investment income of £10,407,000 (2020: £11,417,000) and finance costs of £14,350,000 (2020: £15,573,000).

The Balance Sheet shows that the Company's shareholders' position at the end of the year was a surplus of £65,314,000 (2020: £69,257,000).

## Key performance indicators (KPIs)

The Sky Group ("the Group") manages its operations on a divisional basis. For this reason, and given the Company's nature as a holding company, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the Company.

## Principal risks and uncertainties

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

## Financial risk management objectives and policies

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

## Credit risk

The balance sheet of the Company includes intercompany balances. The Company is therefore exposed to credit risk on these balances. The intercompany balances of the Company are detailed in note 7. Given the amount and nature of the receivables balance, no allowance account has been made under IFRS 9, and there has been no write-off during the year.

## Liquidity risk

The Company relies on the Comcast Group Treasury function to manage its liquidity and ensure that sufficient funds are available for ongoing operations and future developments. Sky Limited and its subsidiaries ("the Sky Group") currently have access to a £6 billion revolving credit facility with Comcast Corporation which is due to expire in 2027. The Company benefits from this liquidity through intra-group facilities and loans.

## Interest rate risk

The Company has financial exposure to UK interest rates arising from floating rate borrowings, interest rate derivatives and various loan balances with other companies within the Sky Group. The Group's Treasury function monitors the Company's exposure to fluctuations in interest rates. Refer to note 11 for further information.

## Strategic and Directors' Report (continued)

### Impacts of COVID-19

COVID-19 and measures taken to prevent its spread across the globe have impacted the Company's businesses in a number of ways, affecting the comparability of periods included in this report. The Directors expect the effects of the COVID-19 pandemic will continue to adversely impact results of operations over the near to medium term, although the extent of such impact will depend on restrictive governmental measures, global economic conditions and consumer behaviour.

Approved by the Board and signed on its behalf of



P Wedlock  
Director

Grant Way  
Isleworth  
Middlesex  
TW7 5QD

Date: 7 September 2022

## Strategic and Directors' Report (continued)

### Directors' Report

The Directors present their annual report, together with the financial statements and auditor's report.

The Directors who served during the year are shown on page 1.

The Directors do not recommend the payment of a dividend in the current year (2020: nil).

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

### Going concern

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

Given the integrated nature of the Group's financial planning and treasury functions, the impact of COVID-19 on the Company's operations and funding requirements has been assessed at the Group level. The Directors expect that the businesses will continue to generate adequate cash flow from operating activities and believe that these cash flows, together with the Company's existing cash, cash equivalents and investments, and available borrowings under its existing credit facilities, including the £6 billion revolving credit facility with Comcast, will be sufficient for the Company to meet its current and long-term liquidity and capital requirements.

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

### Auditor

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

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

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them was approved by the Board of Directors on 7 September 2022.

Approved by the Board and signed on its behalf,



P Wedlock  
Director

Grant Way  
Isleworth  
Middlesex  
TW7 5QD

7 September 2022

## Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards as issued by the IASB. 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 year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether International Financial Reporting 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.

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

## Auditor's report

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKY TELEVISION LIMITED

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Sky Television Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

### Basis for opinion

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

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Auditor's report (continued)

### Independent Auditor's report to the members of Sky Television Limited (continued)

#### Responsibilities of directors

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

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

#### Auditor's responsibilities for the audit of the financial statements

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

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

#### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Employment Law, the Data Protection Act 2018 and the Bribery Act 2010.

We discussed among the audit engagement team including relevant internal specialists such as IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.



## Auditor's report (continued)

### Independent Auditor's report to the members of Sky Television Limited (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house / external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### Report on other legal and regulatory requirements

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

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

#### Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

#### Use of our report

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

Jon Young, FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
7 September 2022

## Income Statement

For the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Investment income	3	10,407	11,417
Finance costs	3	(14,350)	(15,573)
<b>Loss before tax</b>	4	<b>(3,943)</b>	<b>(4,156)</b>
Tax	5	-	-
<b>Loss for the year attributable to equity shareholder</b>		<b>(3,943)</b>	<b>(4,156)</b>

For the years ended 31 December 2021 and 31 December 2020, the Company did not have any items of other comprehensive income, and therefore no separate Statement of Other Comprehensive Income has been prepared.

The accompanying notes are an integral part of this Income Statement.

All results relate to continuing operations.

# Balance Sheet

As at 31 December 2021

	Notes	2021 £'000	Restated (note 15) 2020 £'000	Restated (note 15) 2019 £'000
<b>Non-current assets</b>				
Trade and other receivables	7	1,061,125	1,050,718	1,039,300
<b>Total assets</b>		<b>1,061,125</b>	<b>1,050,718</b>	<b>1,039,300</b>
<b>Current liabilities</b>				
Trade and other payables	8	642,300	627,950	612,376
Current tax liabilities	5	-	-	-
<b>Net current liabilities</b>		<b>642,300</b>	<b>627,950</b>	<b>612,376</b>
<b>Non-current liabilities</b>				
Trade and other payables	9	353,511	353,511	353,511
<b>Total liabilities</b>		<b>995,811</b>	<b>981,461</b>	<b>965,887</b>
<b>Equity</b>				
Share capital	12	13,377	13,377	13,377
Share premium		114,012	114,012	114,012
Other reserve		909,864	909,864	909,864
Retained earnings		(971,939)	(967,996)	(963,840)
<b>Total equity attributable to equity shareholder</b>		<b>65,314</b>	<b>69,257</b>	<b>73,413</b>
<b>Total liabilities and shareholder's equity</b>		<b>1,061,125</b>	<b>1,050,718</b>	<b>1,039,300</b>

The accompanying notes are an integral part of this balance sheet.

As at 31 December 2021, the Company did not have any cash or cash equivalents. Accordingly, no cash flow statement or reconciliation of operating profit to cash flows from operating activities has been prepared.

The financial statements of Sky Television Limited, registered number 01518707 were approved by the Board of Directors on 7 September 2022 and were signed on its behalf by:



P Wedlock  
Director

7 September 2022

## Statement of Changes in Equity

For the year ended 31 December 2021

	Share Capital £'000	Share premium £'000	Other reserve £'000	Retained earnings £'000	Total shareholder's equity £'000
<b>At 1 January 2020</b>	13,377	114,012	909,864	(963,840)	73,413
Loss for the year	-	-	-	(4,156)	(4,156)
<b>At 31 December 2020</b>	<b>13,377</b>	<b>114,012</b>	<b>909,864</b>	<b>(967,996)</b>	<b>69,257</b>
Loss for the year	-	-	-	(3,943)	(3,943)
<b>At 31 December 2021</b>	<b>13,377</b>	<b>114,012</b>	<b>909,864</b>	<b>(971,939)</b>	<b>65,314</b>

The accompanying notes are an integral part of this Statement of Changes in Equity.

The Company's other reserve consists wholly of a merger reserve.

# Notes to the financial statements

## 1. Company information

Sky Television Limited (the "Company") is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Grant Way, Isleworth, Middlesex, TW7 5QD and registered number is 01518707.

The Company's functional currency and presentational currency is pounds sterling.

The company's principal activities are set out in the director's report.

## 2. Significant accounting policies

### a) Statement of compliance

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as issued by the IASB.

### b) Basis of preparation

The financial statements have been prepared on a going concern basis and on an historical cost basis, except for the remeasurement to fair value of certain financial assets and liabilities as described in the accounting policies below.

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

Given the integrated nature of the Sky Group's financial planning and treasury functions, the impact of COVID-19 on the Company's operations and funding requirements has been assessed at the Sky Group level. The Directors expect that the Sky Group businesses will continue to generate adequate cash flow from operating activities and believe that these cash flows, together with the Company's assets and available borrowings under its existing credit facilities, including the £6 billion revolving credit facility with Comcast, will be sufficient for the Company to meet its current and long-term liquidity and capital requirements.

The Company has received confirmation that Comcast intends to support the Company for a period of at least 12 months from the date of signing of these financial statements.

As a result, after making enquiries, the Directors have formed a judgement at the time of approving the financial statements that the Company will have access to adequate resources to continue for at least twelve months from the signing of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Company has classified assets and liabilities as current when they are expected to be realised in, or intended for sale or consumption in, the normal operating cycle of the Company.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by section 401 of the Companies Act 2006, because it is a wholly-owned subsidiary of Comcast Corporation which prepares consolidated financial statements which are publicly available (see note 14).

The Company has adopted the new accounting pronouncements which became effective for this year.

Interest Rate Benchmark Reform (Phase 2) - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 16, IFRS 4 was applicable for the first time in 2021. It has no material impact on the financial statements of the Company.

### c) Financial assets and liabilities

Directly attributable transaction costs are included in the initial measurement of financial assets and liabilities only with respect to those assets and liabilities that are not subsequently measured at fair value through profit and loss. At each balance sheet date, the Company assesses whether there is any objective evidence that any financial asset is impaired.

Financial assets and liabilities are recognised on the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the financial asset or liability. Financial assets are derecognised from the Balance Sheet when the Company's contractual rights to the cash flows expire or the Company transfers substantially all the risks and rewards of the financial asset. Financial liabilities are derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged, cancelled or expires.

#### i. Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments and, where no stated interest rate is applicable, are measured at the original invoice amount, if the effect of discounting is immaterial. Where discounting is material, trade and other receivables are measured at amortised cost using the effective interest method.

An allowance account is maintained to reduce the carrying value of trade and other receivables for impairment losses provided for on an expected loss model according to IFRS 9, with movements in the allowance account, either from increased impairment losses or reversals of impairment losses, being recognised in the Income Statement.

#### ii. Trade and other payables

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

## Notes to the financial statements (continued)

### 2. Significant accounting policies (continued)

#### d) Investment in subsidiaries

An investment in a subsidiary is recognised at cost less any accumulated impairment. As permitted by section 133 of the Companies Act 2006, where the relief afforded under section 131 of the Companies Act 2006 applies, cost is the aggregate of the nominal value of the relevant number of the Company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings.

#### e) Impairment

At each balance sheet date, in accordance with IAS 36 "Impairment of Assets", the Company reviews the carrying amounts of all its assets, excluding financial assets (see accounting policy c) and deferred taxation (see accounting policy f) to determine whether there is any indication that any of those assets have suffered an impairment loss.

An impairment is recognised in the Income Statement whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the greater of net selling price, defined as the fair value less costs to sell, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to those units, and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

An impairment loss for an individual asset or cash generating unit shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### f) Tax, including deferred tax

The Company's liability for current tax is based on taxable loss for the year, and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profits.

Taxable temporary differences arising from the goodwill and initial recognition of assets or liabilities that affect neither accounting profit nor taxable loss are not provided for. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that have been enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and adjusted to reflect an amount that is probable to be realised based on the weight of all available evidence. Deferred tax is calculated at the rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax assets and liabilities are not discounted. Deferred tax is charged or credited in the Income Statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also included within equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## Notes to the financial statements (continued)

### 2. Significant accounting policies (continued)

#### g) Accounting standards, interpretations and amendments to existing standards that are not yet effective

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning after 1 January 2021. These new pronouncements are listed below. The Directors are currently evaluating the impact of the adoption of these standards, amendments and interpretations in future periods.

- Covid-19 Related Rent Concessions – Amendment to IFRS 16 'Leases' (effective 1 April 2021)
- Annual Improvements to IFRS Standards 2018 – 2020 – Amendments to IFRS 1, IFRS 9 and IFRS 16 (effective 1 January 2022)
- Conceptual Framework – Amendments to IFRS 3 'Business Combinations' (effective 1 January 2022)
- Proceeds before Intended Use – Amendments to IAS 16 'Property, Plant and Equipment' (effective 1 January 2022)
- Onerous Contracts – Cost of Fulfilling a Contract – Amendment to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' (effective 1 January 2022)
- Classification of Liabilities as Current or Non-current – Amendment to IAS 1 'Presentation of Financial Statements' (effective 1 January 2023)
- Implementation issues – Amendments to IFRS 17 'Insurance Contracts' (effective 1 January 2023)
- Definition of Accounting Estimates – Amendment to IAS 8 'Accounting policies, changes in accounting estimates and errors' (effective 1 January 2023)
- Disclosure of Accounting Policies – Amendment to IAS 1 'Presentation of Financial Statements' (effective 1 January 2023)

#### h) Critical accounting policies and the use of judgement and estimates

Certain accounting policies are considered to be critical to the Company. An accounting policy is considered to be critical if, in the Directors' judgement, its selection or application materially affects the Company's financial position or results. The application of the Company's accounting policies may also require the use of estimation or judgement in a manner which may affect the Company's financial position or results.

No accounting policies are considered to be critical to the Company.

#### Key sources of estimation uncertainty

There are no areas identified for which there are major sources of estimation uncertainty at the reporting year end that have a significant risk of causing a material adjustment to be made to the carrying value amounts of assets or liabilities within the next financial year. As such, there are no critical estimates noted.

There are not considered to be any critical judgements applied in the preparation of the financial statements.

### 3. Investment income and finance costs

	2021 £'000	2020 £'000
<b>Investment income</b>		
Intercompany interest receivable	10,407	11,417
	<hr/>	<hr/>
	2021 £'000	2020 £'000
<b>Finance costs</b>		
Intercompany interest payable (see note 8)	14,350	15,573
	<hr/>	<hr/>
	14,350	15,573

## Notes to the financial statements (continued)

### 4. Loss before taxation

#### Employee benefits and key management compensation

There were no employee costs during the year (2020: £nil), as the Company had no employees, other than the Directors. Services are provided by employees of other companies within the Group with no charge being made for their services (2020: £nil). The Directors did not receive any remuneration during the year (2020: £nil) in respect of their services to the Company.

#### Audit fees

Amounts paid to the auditor for the audit of the Company's annual financial statements of £10,000 (2020: £10,000) were borne by another Group subsidiary in 2021 and 2020. No amounts for other services have been paid to the auditor.

### 5. Tax

No tax charge was recognised in the year ended 31 December 2021 (2020: £nil).

#### a) Reconciliation of effective tax rate

The tax expense for the year is lower than (2020: lower than) the expense that would have been calculated using the rate of corporation tax in the UK of 19.0% (2020: 19.0%) applied to profit before tax. The differences are explained below:

	2021 £'000	2020 £'000
Loss before tax	(3,943)	(4,156)
Loss before tax multiplied by rate of corporation tax in the UK of 19.0% (2020: 19.0%)	(749)	(790)
Effects of:		
Group relief surrendered for £nil consideration	749	790
Tax	-	-

All tax relates to UK corporation tax and is settled by Sky UK Limited on the Company's behalf.

### 6. Investment in subsidiaries and associates

Investments in subsidiaries of £100 (2020: £100) represent the cost of the shares of the wholly-owned subsidiary undertakings.

Details of all investments of the Company are as follows:

Name	Country of incorporation	Registered Office	Description and proportion of shares held (%)
<b>Direct holdings</b>			
S.A.T.V Publishing Limited	United Kingdom	Grant Way, Isleworth, Middlesex, United Kingdom, TW7 5QD	100 ordinary shares - 100%



## Notes to the financial statements (continued)

### 7. Trade and other receivables

	2021	Restated (note 15) 2020
	£'000	£'000
Non-current amounts receivable from subsidiaries <sup>(a)</sup>	543	543
Non-current amounts receivable from other group companies <sup>(b)</sup>	1,060,582	1,050,175
<b>Total trade and other receivables</b>	<b>1,061,125</b>	<b>1,050,718</b>

#### a) Amounts receivable from subsidiaries

Amounts due from subsidiaries as at 31 December 2021 are £543,000 (2020: £543,000) which represent trade receivables, these are non-interest bearing and are repayable on demand.

#### b) Amounts receivable from other group companies

The amount receivable from other Group companies at 31 December 2021 was £1,060,582,000 (2020: £1,050,175,000). This balance is made up of £714,908,000 (2020: £704,501,000) of interest bearing loans that are repayable on demand, and £345,674,000 (2020: £345,674,000) of trade receivables that are non-interest bearing and repayable on demand. On 12 February 2002, the Company made a loan of £576,290,000 to Sky Operational Finance Limited under the terms of an interest-bearing loan note. The loan note bears interest at base rate plus a margin of 1.50% and is repayable on demand. At 30 June 2008 as part settlement of this receivable Sky Operational Finance Limited transferred £269,094,000 of its receivable from Sky Limited (formerly Sky plc) and £121,571,000 of its receivable from British Interactive Broadcasting Holdings Limited to the Company as part settlement of its payable to the Company. The total receivable including interest after the transfer of these receivables from Sky Operational Finance Limited at 31 December 2021 was £600,172,000 (2020: £590,683,000).

On 29 June 2008, the Company made a loan of £94,631,000 to Sky Operational Finance Limited. The loan bears interest at a rate of one month LIBOR plus 0.75% and is repayable on demand. At 31 December 2021, the total receivable from Sky Operational Finance Limited was £114,736,000 (2020: £113,817,000).

No allowances have been recorded against amounts receivable from Group companies as they have been assessed to be fully recoverable.

### 8. Trade and other payables

	2021	2020
	£'000	£'000
Amounts payable to other group companies <sup>(a)</sup>	642,300	627,950

The Directors consider that the carrying amount of trade and other payables approximates their fair values.

#### a) Amounts payable to other group companies

Included within amounts payable to other Group companies is the accrued interest expense of £14,350,000 (2020: £15,573,000) on the total debenture due to Sky Operational Finance Limited amounting to £554,190,000 (2020: £539,839,000). Interest is charged at a rate of 1.50% above the HSBC base interest rate, and compounds semi-annually. As the interest is repayable on demand the accrued interest has been classified within current liabilities.

All other amounts payable to other Group companies and subsidiaries are non-interest bearing and repayable on demand.

## Notes to the financial statements (continued)

### 9. Non-current other payables

	2021 £'000	2020 £'000
<b>Non-current other payables</b>		
Amounts payable to other Group companies	<b>353,511</b>	353,511

Amounts due to the other Group companies as at 31 December 2021, comprise a debenture due to Sky Operational Finance Limited of £353,511,000 (2020: £353,511,000). Interest is charged at a rate of 1.50% above the HSBC base interest rate, compounds semi-annually and is repayable on demand. The debenture is not repayable until 31 October 2080, except at the option of Sky Operational Finance Limited.

The Company's financial instruments comprise trade payables and trade receivables.

The accounting classification of each class of the Company's financial assets and financial liabilities is as follows:

### 10. Financial instruments

The Company's principal financial instruments comprise trade and other payables. The Company has various financial assets such as trade and other receivables.

The accounting classification of each class of the Company's financial assets and liabilities, together with their fair values, is as follows:

	Financial Assets at Amortised Cost £'000	Financial Liabilities at Amortised Cost £'000	Total carrying value £'000	Total fair value £'000
<b>At 31 December 2021</b>				
Trade and other payables	-	995,811	995,811	995,811
Trade and other receivables	1,061,125	-	1,061,125	1,061,125
<b>At 31 December 2020</b>				
Trade and other payables	-	981,461	981,461	981,461
Trade and other receivables	1,050,718	-	1,050,718	1,050,718

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and which are traded on active liquid markets is determined with reference to quoted market prices and;
- The fair value of financial assets and financial liabilities held by the Company is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

### 11. Financial risk management objectives and policies

The Group's Treasury function is responsible for raising finance for the Company's operations and managing credit risks. The Sky Group Treasury function manages liquidity, foreign exchange and interest rate risks. Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by Comcast's Audit Committee and Board of Directors, which receive regular updates of Treasury activity. Derivative instruments are transacted for risk management purposes only. It is the Group's policy that all hedging is to cover known risks and no speculative trading is undertaken. Regular and frequent reporting to management is required for all transactions and exposures, and the internal control environment is subject to periodic review by the Group's internal audit team.

The Sky Group's principal market risks are exposures to changes in interest rates and foreign exchange rates, which arise both from the Sky Group's sources of finance and its operations. Following evaluation of those market risks, the Sky Group selectively enters into derivative financial instruments to manage these exposures.

The principal instruments currently used are interest rate swaps to hedge interest rate risks, and cross currency swaps and forward foreign exchange contracts to hedge transactional and translational currency exposures.

## Notes to the financial statements (continued)

### 11. Financial risk management objectives and policies (continued)

#### Interest rate risk

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative financial instruments at the Balance Sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year.

The Company has financial exposure to UK interest rates arising from various loan balances with other companies within the Group. The Group's Treasury function monitors the Company's exposure to fluctuations in interest rates.

A one percentage point increase or decrease represents management's assessment of the reasonably possible change in interest rates. If interest rates had been one percentage point higher and all other variables were held constant, the Company's loss for the year ended 31 December 2021 would increase by £1,909,100 (2020: increase in loss by £1,873,128).

During the year the Company has not early adopted any matters in relation to interest rate benchmark reform. The treasury function of the Sky Group is in the process of reviewing the implications of this reform (with changes effective during 2022) and its impact on loan balances held by the Company. All loans which are based on LIBOR or other rates which will not be available are scheduled to be moved to a comparable rate in 2022 as part of the implementation of the interest rate benchmark reform.

#### Capital Risk Management

The capital structure of the Company consists of equity attributable to equity holders of the parent Company, comprising issued capital and retained earnings. Risk and treasury management is governed by Comcast's policies approved by the Comcast Audit Committee and Board of Directors.

The Company is not subject to external capital requirements.

#### Liquidity risk

The Company's financial liabilities are shown in notes 8 and 9.

The principal source of liquidity is access to a £6 billion revolving credit facility with its ultimate parent, Comcast Corporation, which expires in 2027. The Company benefits from this liquidity through intra-group facilities and loans.

The following table analyses the Company's financial liabilities into relevant maturity groupings based on the remaining year at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. The amounts disclosed may not reconcile to the amounts disclosed on the balance sheet for trade and other payables.

	Less than 12 months £'000	Between one and two years £'000	Between two and five years £'000	More than five years £'000
<b>At 31 December 2021</b>				
Trade and other payables	642,300	-	-	353,511
	Less than 12 months £'000	Between one and two years £'000	Between two and five years £'000	More than five years £'000
<b>At 31 December 2020</b>				
Trade and other payables	627,950	-	-	353,511

#### Credit risk

The Company's maximum exposure to credit risk on trade receivables is the carrying amounts disclosed in note 7.

## Notes to the financial statements (continued)

### 12. Share capital

	2021 Number	2021 £'000	2020 Number	2020 £'000
<b>Authorised, called-up and fully paid</b>				
<b>Ordinary shares of £1.00 each</b>				
Beginning of year	13,376,982	13,377	13,376,982	13,377
<b>End of year</b>	<b>13,376,982</b>	<b>13,377</b>	<b>13,376,982</b>	<b>13,377</b>

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

### 13. Transactions with related parties

#### a) Transactions with other Group companies and subsidiary undertakings

The Company has related party transactions with other Group companies and subsidiary undertakings. The Group's treasury function is responsible for liquidity management across the Group's operations. It is standard practice for the Company to lend and borrow cash to and from the parent company, other Group companies and subsidiary undertakings as required.

For details of amounts owed by and owed to the parent company, other Group companies and subsidiary undertakings, see notes 7, 8 and 9.

#### b) Key management

The Company has a related party relationship with the Directors of the Company. At 31 December 2021, there were Three (2020: three) members of key managers, all of whom were Directors of the Company. Key management compensation is disclosed in note 4.

### 14. Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of Sky Limited, a Company incorporated and registered in England and Wales. The Company's ultimate parent company and the smallest and largest group in which the results of the company are consolidated is Comcast Corporation ("Comcast"), a company incorporated in the United States of America and registered in Pennsylvania.

The company is ultimately controlled by Comcast and operates together with Comcast's other subsidiaries, as a part of the Comcast Group (the "Group"). The only group in which the results of the Company are consolidated is that headed by Comcast.

The consolidated financial statements of the Group are available to the public and may be obtained from Comcast Investor Relations at Comcast Corporation, One Comcast Center, Philadelphia, PA 19103, USA. Or at <https://www.cmcsa.com/investors>.

## Notes to the financial statements (continued)

### 15. Prior-year restatement

In preparing financial statements for the year ended 31 December 2021, the classification of intercompany receivable balances between current and non-current was reassessed with reference to the timing of their expected settlement. In doing so, it was identified that certain intercompany balances were incorrectly classified as current in prior years. This classification error is a material error in prior periods and therefore the 2020 and 2019 balances have been restated in the 2021 financial statements.

The impact on the prior-year balances are as follows:

	<b>2020</b>	<b>2020</b>	<b>2020</b>
	<b>As previously</b>	<b>Adjustment</b>	<b>Restated</b>
	<b>stated</b>		<b>balance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amounts receivable from subsidiaries - Current	543	(543)	-
Amounts receivable from subsidiaries - Non-current	-	543	543
Amounts receivable from other group companies - Current	1,050,175	(1,050,175)	-
Amounts receivable from other group companies - Non-current	-	1,050,175	1,050,175
	<b>2019</b>	<b>2019</b>	<b>2019</b>
	<b>As previously</b>	<b>Adjustment</b>	<b>Restated</b>
	<b>stated</b>		<b>balance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amounts receivable from subsidiaries - Current	543	(543)	-
Amounts receivable from subsidiaries - Non-current	-	543	543
Amounts receivable from other group companies - Current	1,038,757	(1,038,757)	-
Amounts receivable from other group companies - Non-current	-	1,038,757	1,038,757