

SKY HISTORY LIMITED

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

Registered number: 03071747



Directors and Officers

For the year ended 30 June 2018

Directors

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

C J Taylor
C R Jones
K Holmes

Secretary

C J Taylor

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

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

Business review and principal activities

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

The Company's principal activity is to act as a holding company for a 50% interest in AETN UK, an unlimited company whose principal activity is the broadcasting of The History Channel, including the multiplex version to multi-channel subscribers in the UK and other European territories. It also distributes other channels known as The Biography Channel, Crime and Investigation Channel and the Military History Channel. For the foreseeable future, the Company will continue to hold the investment in AETN UK.

The audited accounts for the year ended 30 June 2018 are set out on pages 8 to 18. The result for the year was £nil (2017: £nil). The Balance Sheet shows that the Company's total shareholder's equity position at the end of the year was £5,950,000 (2017: £5,950,000 see page 10). During the year the Company received dividends totalling £nil from AETN UK (2017: £nil).

Key performance indicators (KPIs)

The Group manages its operations on a divisional basis. The Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the Company.

Principal risks and uncertainties

The Company's activities expose it to financial risks, namely credit risk and liquidity risk. The Company is also exposed to risk through the performance of its investments.

The Directors do not believe the business is exposed to cash flow risk or price risk.

Credit risk

The balance sheet of the Company includes intercompany balances, amounts owing by associates and joint ventures. The Company is therefore exposed to credit risk on these balances. The intercompany balances of the Company are detailed in notes 6 and 7.

Strategic and Directors' Report (continued)

Liquidity risk

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

Investment performance risk

The principal risk facing the Company relates to the recoverability of the Company's investment in joint ventures. Recovery of these assets is dependent upon the generation of sufficient profits to pay dividends or from the proceeds of sale of such investments, in the event of their disposal. The Company reviews the carrying amount of its investments at balance sheet date to determine whether there is any indication of impairment.

By Order of the Board,

K Holmes
Director

Grant Way
Isleworth
Middlesex
TW7 5QD
6 March 2019



Strategic and Directors' Report (continued)

Directors' report

The Directors who served during the year are shown on page 1. During the year ended the Directors proposed a dividend of £nil (2017: £nil).

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

The Company was ultimately controlled by Sky Limited ("Sky") at year end (30th June 2018).

Going concern

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

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

Auditor

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

- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director to make himself 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 01 March 2019.

By Order of the Board,

K Holmes
Director



Grant Way
Isleworth
Middlesex
TW7 5QD

01 March 2019

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 have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

Auditor's report

Independent auditor's report to the members of Sky History Limited

Opinion

In our opinion the financial statements of Sky History Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its results for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and 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 statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

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

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the 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.

Auditor's report

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.



Paul Franek FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
1 March 2019

Statement of Comprehensive Income

For the year ended 30 June 2018

	Notes	2018 £'000	2017 £'000
Investment income	2	225	111
Finance costs	2	(225)	(111)
Result before tax	3	-	-
Tax	4	-	-
Result for the year attributable to equity shareholders		-	-

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

For the years ended 30 June 2017 and 30 June 2018 the Company did not have any other items of comprehensive income.

All results relate to continuing operations.

Balance Sheet

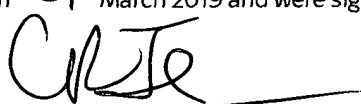
As at 30 June 2018

	Notes	2018 £'000	2017 £'000
Non-current assets			
Investment in joint venture	5	50	50
Current assets			
Trade and other receivables	6	20,865	20,640
Total assets		20,915	20,690
Current liabilities			
Trade and other payables	7	14,965	14,740
Non-current liabilities		-	-
Total liabilities		14,965	14,740
Share capital	10	-	-
Reserves		5,950	5,950
Total equity attributable to equity shareholder		5,950	5,950
Total liabilities and shareholders' equity		20,915	20,690

The accompanying notes are an integral part of this Balance Sheet.

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

The financial statements of Sky History Limited, registered number 03071747, were approved by the Board of Directors on 01 March 2019 and were signed on its behalf by:



C R Jones
Director

01 March 2019

Statement of Changes in Equity

For the year ended 30 June 2018

	Share capital £'000	Retained earnings £'000	Total shareholder's equity £'000
At 1 July 2016	-	5,950	5,950
Total comprehensive income for the year	-	-	-
At 30 June 2017	-	5,950	5,950
Total comprehensive income for the year	-	-	-
At 30 June 2018	-	5,950	5,950

Notes to the financial statements

1. Accounting policies

Sky History Limited (the "Company") is a limited liability company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Grant Way, Isleworth, Middlesex, TW7 5QD and the registered number is 03071747.

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and the Companies Act 2006. In addition, the Company also complied with IFRS as issued by the International Accounting Standards Board ("IASB").

b) Basis of preparation

The financial statements have been prepared on a going concern basis (as set out in the Directors' Report) and on a 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 has adopted the new accounting pronouncements which became effective this period, none of which had a significant impact on the Company's results or financial position.

The Company maintains a 52 or 53 week fiscal year ending on the Sunday nearest to 30 June in each year. In fiscal year 2018, this date was 1 July 2018 this being a 52 week year (fiscal year 2017: 2 July 2017, 52 week year). For convenience purposes, the Company continues to date its financial statements as at 30 June.

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

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 identified from objective evidence, with movements in the allowance account, either from increased impairment losses or reversals of impairment losses, being recognised in the Statement of Comprehensive Income.

Notes to the financial statements

1. Accounting policies (continued)

c) Financial assets and liabilities (continued)

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.

d) Tax, including deferred tax

The Company's liability for current tax is based on taxable profits 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 goodwill and, except in a business combination, the initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit, 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 period 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 Statement of Comprehensive Income, 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.

e) Critical accounting policies and judgement and key sources of estimation uncertainty

Certain accounting policies are considered to be critical to the Company. An accounting policy is considered to be critical if, in the Directors' judgement, its selection or application materially affects the Company's financial position or results. The application of the Group's accounting policies also requires the use of estimates and assumptions that affect the Group's financial position or results.

Below is a summary of the Company's critical accounting policies and details of the key areas of judgement that are exercised in their application.

Critical accounting policies and judgements

i. Taxation, including deferred taxation (see note 4)

The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax

Notes to the financial statements

1. Accounting policies (continued)

e) Critical accounting policies and judgement and key sources of estimation uncertainty (continued)

i. Taxation, including deferred taxation (continued)

treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

Provisions for tax contingencies require management to make judgements and estimates in relation to tax audit issues and exposures. Amounts accrued are based on management's interpretation of country-specific tax law and the likelihood of settlement. Tax benefits are not recognised unless it is probable that the tax positions will be sustained. Once considered to be probable, management reviews each material tax benefit to assess whether a provision should be taken against full recognition of the benefit on the basis of the likely resolution of the issue through negotiation and/or litigation. The amounts recognised in the financial statements in respect of each matter are derived from the Company's best estimation and judgement, as described above. However, the inherent uncertainty regarding the outcome of these items means the eventual resolution could differ from the provision and in such event the Company would be required to make an adjustment in a subsequent period which could have a material impact on the Company's profit and loss and/or cash position.

The key area of judgement in respect of deferred tax accounting is the assessment of the expected timing and manner of realisation or settlement of the carrying amounts of assets and liabilities held at the balance sheet date. In particular, assessment is required of whether it is probable that there will be suitable future taxable profits against which any deferred tax assets can be utilised.

Key sources of estimation uncertainty

There are no areas identified for which there are major sources of estimation uncertainty at the reporting period end (as defined by IAS 1), that have a significant risk of causing in a material adjustment to be made to the carrying value amounts of assets and liabilities within the next financial year.

By contrast, areas where estimation is applied primarily in the context of applying critical accounting policies and judgements, have been discussed in the preceding section above.

f) Accounting standards, interpretations and amendments to existing standards not yet effective

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after 1 July 2018. These new pronouncements are listed below: The Directors are currently evaluating the impact of the adoption of these standards, amendments and interpretations in future periods.

- Amendments to IAS 28 'Investments in Associates and Joint Ventures – Long term interests (effective 1 January 2019)*
- IFRS 9 'Financial Instruments' replaces IAS 39 'Financial instruments: Recognition and Measurement' is effective on the Group from 1 July 2018 onwards.

The areas which impact the Group relate to the recognition of impairment provisions for customer receivables and other financial assets and the accounting for available-for-sale investments. IFRS 9 also contains new rules relating to hedge accounting, although the adoption of these is not mandatory and the Group will continue to apply IAS 39 hedge accounting policies.

* not yet endorsed for use in the EU

Notes to the financial statements

1. Accounting policies (continued)

f) Accounting standards, interpretations and amendments to existing standards not yet effective (continued)

With respect to impairment provisions, IFRS 9 introduces a model based on expected credit loss. This requires a provision to be made for impairment from the initial point at which the receivable is recognised, compared to IAS 39 which requires a provision to be made only when a loss event occurs. The IFRS 9 credit loss model is not expected to have a material impact on either the Company's balance sheet position or income statement result.

2. Investment income and finance costs

	2018 £'000	2017 £'000
Investment income		
Intercompany Interest receivable ⁽ⁱ⁾	225	111
	2018 £'000	2017 £'000
Finance costs		
Intercompany interest payable ⁽ⁱⁱ⁾	(225)	(111)

(i) Intercompany interest receivable is receivable on a balance of £14,965,000 with AETN UK. This loan bears interest at 1.5%.

(ii) Intercompany interest payable includes interest payable on a balance of £14,965,000 with Sky Operational Finance Limited. This revolving credit facility was made available on and from 20th December 2016. Interest is payable at a rate of 1.5%.

3. Result before tax

Audit fees

Amounts paid to the auditor for the audit of the Company's annual accounts of £6,250 (2017: £6,250) were borne by another Group subsidiary in 2018 and 2017. No amounts for other services have been paid to the auditor.

Employee benefits and key management compensation

There were no staff costs during the year as the Company had no employees (2017: none). Services are provided by employees of other companies within the Group with no charge being made for their services (2017: £nil). The Directors did not receive any remuneration during the year (2017: £nil) in respect of their services to the Company.

4. Tax

a) Tax recognised in the statement of comprehensive income

The tax charge for the year is £nil (2017: £nil).

b) Reconciliation of effective tax rate

The tax expense for the year is £nil (2017: £nil) the expense that would have been charged using the standard rate of corporation tax in the UK applied to profit before tax. The applicable or substantively enacted effective rate of UK corporation tax for the year was 19.00% (2017: 19.75%). The differences are explained below:

Notes to the financial statements

4. Tax (continued)

	2018	2017
	£'000	£'000
Result before tax	-	-
Result before tax multiplied by the blended rate of corporation tax in the UK of 19.00% (2017: 19.75%)	-	-
Tax	-	-

All tax relates to UK corporation tax.

5. Investment in joint venture

	2018	2017
	£'000	£'000
Cost and net book value		
Beginning and end of year	50	50

Details of all investments of the Company are as follows:

Name	Country of incorporation	Description and proportion of shares held (%)
Direct holdings		
AETN UK	UK	50%

6. Trade and other receivables

	2018	2017
	£'000	£'000
(i) Amounts receivable from immediate parent company	5,900	5,900
(ii) Amounts receivable from joint ventures and associates	14,965	14,740
Total current trade and other receivables	20,865	20,640

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

(i) Amounts receivable from immediate parent company

The amounts receivable from the immediate parent have been assessed to be fully recoverable and as such no other allowances have been recorded. Amounts due from the immediate parent company totalling £5,900,000 (2017: £5,900,000) are non-interest bearing and are repayable on demand.

(ii) Amounts receivable from joint ventures and associates

On 20 December 2016 the Company entered a loan agreement of \$19,359,000 with AETN UK, whereby the Company was lender and AETN UK was the borrower. This loan is interest bearing at 1.5%. The amount outstanding on this loan as at 30 June 2018 was £14,965,000 (30 June 2017: £14,740,000).

Notes to the financial statements

7. Trade and other payables

	2018 £'000	2017 £'000
Current payables		
Amounts payable to other Group companies	14,965	14,740

The Directors consider that the carrying value of trade and other payables approximate to their fair value.

On 20 December 2016, the Company entered into a loan facility with Sky Operational Finance Limited for up to £17,000,000. The loan bears interest at 1.5%. The balance outstanding on this loan at 30 June 2018 was £14,965,000.

8. Financial instruments

a) Carrying value and fair value

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

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

	Loans and receivables £'000	Other liabilities £'000	Total carrying value £'000	Total fair values £'000
At 30 June 2018				
Trade and other receivables	20,865	-	20,865	20,865
Trade and other payables	-	(14,965)	(14,965)	(14,965)
At 30 June 2017				
Trade and other receivables	20,640	-	20,640	20,640
Trade and other payables	-	(14,740)	(14,740)	(14,740)

The fair value of other financial assets and financial liabilities 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.

9. Financial risk management objectives and policies

The Group's Treasury function is responsible for raising finance for the Company's operations, together with associated liquidity management and management of foreign exchange, interest rate and credit risks. Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by both the Audit Committee and the Board, 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 Group's principal market risks are exposures to changes in interest rates and foreign exchange rates, which arise both from the Group's sources of finance and its operations. Following evaluation of those market risks, the Group selectively enters into derivative financial instruments to manage these exposures. The principal instruments currently

Notes to the financial statements

9. Financial risk management objectives and policies (continued)

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.

Capital Risk Management

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

10. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
2 (2017: 2) ordinary shares of £1 (2017: £1) each	2	2

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

11. Transactions with related parties and major shareholders of Sky

a) Major shareholders of Sky Limited

The Company conducts business transactions with companies that are part of the Twenty-First Century Fox, Inc. group, a major shareholder of Sky Limited, the ultimate parent undertaking of the Company.

b) Key management

The Company has a related party relationship with the Directors of the Company. At 30 June 2018, there were three (2017: three) members of key managers, all of whom were Directors of the Company. Key management compensation is disclosed in note 3.

c) Transactions with parent company

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 subsidiaries as required. For details of amounts owed by the parent company, see note 6.

d) Transactions with joint ventures

The Company holds 50% of the issued share capital of AETN UK. For details of amounts owed to and by the parent undertaking, see note 6. Investment income of £225,000 (2017: £111,000) was received from AETN UK during the year. The outstanding balance due is £14,965,000.

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 subsidiaries as required.

Under this policy, Sky paid finance charges of £225,000 (2017: £111,000) to Sky Operational Finance Ltd during the year. This amount appears as an intercompany payable of £14,965,000 owed by the Company. Please refer to note 7 for details of intercompany payables.

Notes to the financial statements

12. Ultimate parent undertaking

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

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

13. Post Balance Sheet Event

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