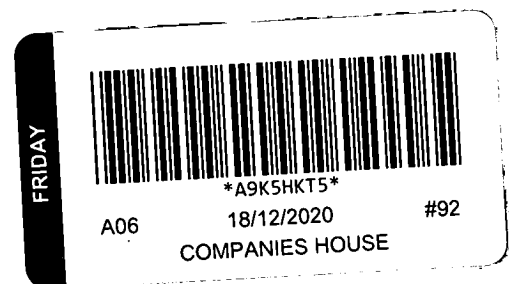


SKY VENTURES LIMITED

Annual report and financial statements
For the 18 month period ended 31 December 2019

Registered number: 03092549



Directors and Officers

For the period ended 31 December 2019

Directors

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

T C Richards (appointed 10 June 2019)

E E Lloyd (appointed 10 June 2019)

C Smith (appointed 10 June 2019)

C J Taylor (resigned 5 June 2019)

C R Jones (resigned 10 June 2019)

K Holmes (resigned 10 June 2019)

Company Secretary

C J Taylor (resigned 10 June 2019)

Sky Corporate Secretary Limited (appointed 10 June 2019)

Registered office

Grant Way

Isleworth

Middlesex

United Kingdom

TW7 5QD

Auditor

Deloitte LLP

Statutory Auditor

1 New Street Square

London

EC4A 3HQ

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 audited financial statements and Auditor's Report for the 18 month period ended 31 December 2019. During the period the Company changed its year-end from 30 June to 31 December, to align with that of Comcast Corporation ("Comcast"), the ultimate controlling party of the Company. Accordingly, the financial statements comprise the 18-month period to 31 December 2019, with comparatives for the 12 months to 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 UK Limited (the immediate parent Company). 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 Company's principal activity is to act as a holding company for certain subsidiary undertakings, joint ventures and associates. The Directors expect this activity to continue for the foreseeable future.

On 9 October 2018, the offer by Comcastc sm Bidco Limited to acquire the entire issued and to be issued share capital of Sky Limited (formerly Sky plc.) became wholly unconditional. As a result and as of that date, the ultimate controlling party of Sky Limited and its direct and indirect subsidiaries, including the Company, is now Comcast. In the fourth quarter of 2018, Comcast Bidco Limited acquired the remaining Sky shares and it now owns 100% of the share capital of Sky.

On 18 February 2019, Sky cancelled its previous £1 billion revolving credit facility, which had a maturity date of 30 November 2021, and the Company, as part of the Sky Ltd group of companies, is now part of Comcast's inter-company funding relationships, which is discussed further below.

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 1 July 2018. Except for the first-time application of IFRS 15 and IFRS 9, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Company's financial statements as at and for the year ended 30 June 2018.

Financial Review and Dividends

The audited financial statements for the period ended 31 December 2019 are set out on pages 11 to 31. The profit after tax for the period was £4,340,000 (2018: £62,403,000). The balance sheet shows that the Company's shareholder's equity position at the period end was £482,751,000 (2018: £446,029,000).

Key performance indicators (KPIs)

The Group manages its operations on a divisional basis. For this reason, 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.

Strategic and Directors' Report (continued)

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 Company is exposed to significant cash flow risk, price risk, interest rate risk or foreign exchange.

Financial risk management objectives and policies

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

Credit risk

The balance sheet of the Company includes intercompany balances, amounts owing by associates and joint ventures and balances due from related parties. The Company is therefore exposed to credit risk on these balances. The intercompany balances of the Company are detailed in notes 9 and 10. 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 period.

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 Company currently has access to a £3 billion revolving credit facility with Comcast which 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 subsidiaries. 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 the balance sheet date to determine whether there is any indication of impairment.

Legislation and Regulation risk

U.K. Exit from the European Union

Sky's businesses are subject to risks relating to uncertainties and effects of the implementation of the United Kingdom's referendum to withdraw membership from the EU (referred to as "Brexit"), including financial, legal, tax and trade implications.

The telecommunications and media regulatory framework applicable to Sky's businesses in the U.K. and the EU may be subject to greater uncertainty following the U.K.'s withdrawal from the EU in January 2020. We cannot predict the extent of any potential changes to the regulatory framework involving U.K. and EU regulation of telecommunications and media, or changes to certain mutual recognition arrangements for media and broadcasting.

Strategic and Directors' Report (continued)

Impacts of COVID-19

The novel coronavirus disease 2019 ("COVID-19") and measures taken to prevent its spread across the globe are impacting Sky's businesses in a number of ways.

As a result of COVID-19, many sporting events and professional sports seasons were postponed in the first half of 2020, with certain sports, including European football, resuming in May and June 2020. This had a significant impact on Sky's results of operations for the first nine months of 2020. Direct-to-consumer revenue has been negatively impacted as a result of lower sports subscription revenue, and continued negative impacts as a result of the impacts of COVID-19 on the reopening plans of Sky's commercial customers are expected. Additionally, significant costs associated with broadcasting these programmes were not recognised as a result of sporting events not occurring as scheduled in the first half of 2020. These costs were generally recognised in the third quarter of 2020; and although sporting events have resumed, COVID-19 continues to result in uncertainty in the ultimate timing of when, or the extent to which, these events will occur for the remainder of 2020; their broadcast is expected to impact the timing, and potentially the amount, of revenue and expense recognition.

Sky also temporarily suspended certain sales channels due to COVID-19, which negatively impacted net customer additions and revenue in the first half of 2020. Sales channels generally resumed operations in June 2020.

COVID-19 has resulted in the deterioration of economic conditions and increased economic uncertainty in the United Kingdom and Europe, intensifying what was an already deteriorating economic and advertising environment. These conditions negatively impacted revenue in the first nine months of 2020, and these conditions are expected to continue to reduce advertising spend and consumer demand for Sky's services for the remainder of 2020. In addition, there is increased risk associated with collections on Sky's outstanding receivables, and Sky has incurred and expects to continue to incur increases in its bad debt expense.

Approved by the Board and signed on its behalf,



T C Richards
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

16 December 2020

Strategic and Directors' Report (continued)

Directors' Report

The Directors who served during the period are shown on page 1. During the period ended 31 December 2019 the Directors proposed a dividend of £nil (2018: £nil).

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

Going Concern

The Company's business activities together with the factors likely to affect its future development and performance are set out in the Business Review. The Strategic Report details the financial position of the Company, as well as the Company's objectives and policies, and details of its exposures to credit risk, liquidity risk, interest rate risk and foreign exchange 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. Although negatively impacted by COVID-19, 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 £3 billion revolving credit facility with Comcast, will be sufficient for the Company to meet its current and long-term liquidity and capital requirements. We further highlight that the Company has received confirmation of support from Comcast 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 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 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 16 December 2020.

Strategic and Directors' Report (continued)

Approved by the Board and signed on their behalf by:



T C Richards
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

16 December 2020

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial period. 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 Ventures Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the period 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 and;
- the related notes 1 to 17.

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.

Auditor's report

Other information (continued)

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.

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.

Auditor's 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

16 December 2020

Statement of Comprehensive Income

For the period ended 31 December 2019

	Notes	18 months to 31 December 2019 £'000	12 months to 30 June 2018 £'000
(Impairment)/ Profit on disposal of investments	2	(66,665)	49,072
Income from shares in Group undertakings	3	21,304	12,274
Investment income	4	276	138
Finance costs	4	-	(111)
(Loss)/Profit before tax	5	(45,085)	61,373
Tax	6	49,425	1,030
(Loss)/Profit for the period attributable to equity shareholders		4,340	62,403

From 1 July 2018, the Company has applied IFRS 15 'Revenue from contracts with customers' and IFRS 9 'Financial instruments' using a modified retrospective approach, recognising the cumulative effects of first-time adoption in opening equity at 1 July 2018.

As a result, the 2018 figures presented for comparison purposes have not been adjusted. The impacts of this first-time adoption are presented in Note 1, where applicable.

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

For the year ended 30 June 2018 and the period ended 31 December 2019, the Company did not have any other items of Comprehensive Income.

All results relate to continuing operations.

Balance Sheet

As at 31 December 2019

	Notes	31 December 2019 £'000	30 June 2018 £'000
Non-current assets			
Investment in subsidiaries, joint ventures and associates	7	234,633	175,893
Trade and other receivables	9	1,704	-
Minority Equity Investments	8	78,072	113,939
Current assets			
Trade and other receivables	9	534,040	442,557
Total assets		848,449	732,389
Current liabilities			
Trade and other payables	10	365,698	286,360
Total liabilities		365,698	286,360
Share capital	13	1	1
Reserves	14	482,750	446,028
Total equity attributable to equity shareholders	14	482,751	446,029
Total liabilities and shareholders' equity		848,449	732,389

From 1 July 2018, the Company has applied IFRS 15 'Revenue from contracts with customers' and IFRS 9 'Financial instruments' using a modified retrospective approach, recognising the cumulative effects of first-time adoption in opening equity at 1 July 2018.

As a result, the 2018 figures presented for comparison purposes have not been adjusted. The impacts of this first-time adoption are presented in Note 1.

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

As at 31 December 2019 and 30 June 2018, 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 Ventures Limited, registered number 03092549 were approved and authorised for issue by the Board of Directors on 16 December 2020 and were signed on its behalf by:



T C Richards
Director

16 December 2020

Statement of Changes in Equity

For the period ended 31 December 2019

	Share capital	Available-for- sale reserve	Retained earnings	Total shareholders' equity
	£'000	£'000	£'000	£'000
At 1 July 2017	1	(3)	383,639	383,637
Profit for the year	-	-	62,403	62,403
Revaluation of Minority Equity Investments	-	(11)	-	(11)
At 30 June 2018	1	(14)	446,042	446,029
Restatement for IFRS 9	-	14	32,368	32,382
At 1 July 2018	1	-	478,410	478,411
Profit for the period	-	-	4,340	4,340
At 31 December 2019	1	-	482,750	482,751

From 1 July 2018, the Company has applied IFRS 9 'Financial instruments' using a modified retrospective approach, recognising the cumulative effects of first-time adoption in opening equity at 1 July 2018.

As a result, the 2018 figures presented for comparison purposes have not been adjusted. The impacts of this first-time adoption are presented in Note 1.

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

Notes to the financial statements

1. Accounting policies

Sky Ventures 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, United Kingdom and registered number is 03092549.

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"). The Company's principal activities are set out in the Directors' Report.

b) Basis of preparation

The financial statements have been prepared on a going concern basis (as set out in the Directors' Report) 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. The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 1 July 2018.

i) IFRS 15 – 'Revenue from contracts with customers'

The Company has finalised its analysis and adopted IFRS 15 from 1 July 2018. As permitted by the standard, the Company has taken advantage of the modified transitional provisions and as such the prior period results remain as previously reported. Under the modified approach the cumulative approach of initially applying the standard is recognised in equity at 1 July 2018, with no restatement of prior periods.

IFRS 15 requires that the recognition of revenue from contracts with customers must reflect:

- the rate at which performance obligations are fulfilled, corresponding to the transfer to a customer of control of a good or service, where control transfers either over time, or at a point in time; and
- the amount to which the seller expects to be entitled as consideration for its activities.

There is no impact of the first-time adoption of IFRS 15 at 1 July 2018 on the Company's opening balance sheet or the income statement for the period.

ii) IFRS 9 – 'Financial Instruments'

IFRS 9 'Financial Instruments' replaces IAS 39 'Financial instruments: Recognition and Measurement' and is effective on the Company from 1 July 2018.

The Company has applied the classification, measurement and impairment requirements of the standard on a modified retrospective basis, adjusting the opening balance sheet at the transition date of 1 July 2018 with no restatement of comparative periods. The areas which impact the Company relate to e.g. the recognition of impairment provisions for customer receivables and other financial assets and the accounting for minority investments. IFRS 9 also contains new rules relating to hedge accounting although the adoption of these is not mandatory and the Company will continue to apply IAS 39 hedge accounting policies.

Notes to the financial statements

1. Accounting policies (continued)

b) Basis of preparation (continued)

ii) IFRS 9 – 'Financial Instruments' (continued)

IFRS 9 introduces an impairment model based on expected credit losses. This requires a provision for impairment to be considered, and if required to be recorded, when the receivable is recognised, compared to IAS 39 which requires a provision to be made only when a loss event occurs. The Company elected to apply IFRS 9's simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables.

This involves, for example, the application of a provision matrix where trade receivables are grouped based on shared credit risk characteristics and ageing, or other appropriate methods given the nature of the receivable, and requires an estimate of expected lifetime credit loss rates. These loss rates are based on, inter alia, the entity's historical credit losses, adjusted for reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions, in order to derive an expectation. The application of this approach has not had a material impact on the provision for impairment of third party trade receivables compared to the Company's previous approach under IAS 39.

Amounts due from group companies are typically non-interest bearing and are repayable on demand. With respect to impairment provisions under IFRS 9, an expectation of credit losses for intercompany loan receivables is required, taking into consideration similar factors as for third party balances above, in addition to entity's ability to trade and borrow as part of the wider Group, in order to settle the receivables. The IFRS 9 credit loss model has not had a material impact with respect to impairment of entity's intercompany receivables compared to the Company's previous approach under IAS 39.

IFRS 9 requires all equity investments to be held on the balance sheet at fair value, with associated movements incurred in either the income statement or in equity reserves. The Company has elected to recognise such movements in the income statement within financing cost.

IFRS 9 requires that amounts recognised in non-financial assets (basis adjustment) are recognised directly in equity, which were previously recognised in other comprehensive income under IAS 39 'Financial Instruments: Recognition and Measurement'.

The impacts of the first-time adoption of IFRS 9 at 1 July 2018 on the Company's opening balance sheet are set out below:

	As reported £'000	Impact of IFRS 9 £'000	As adjusted £'000
Non-current assets			
Minority equity investments	113,939	32,382	146,321
<hr/>			
Available-for-sale reserve	(14)	14	-
<hr/>			
Reserves	446,029	32,368	478,397
<hr/>			

Except for the first-time application of IFRS 9, no other new accounting pronouncements had a significant impact on the Company's results or financial position.

Notes to the financial statements

1. Accounting policies (continued)

b) Basis of preparation (continued)

ii) IFRS 9 – 'Financial Instruments' (continued)

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 the consolidated financial statements afforded by section 401 of the Companies Act 2006, because it is a wholly-owned subsidiary of Comcast which prepares consolidated financial statements which are publicly available (see note 16).

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. Minority equity investments

Equity investments are carried at fair value with movements in fair value recognised either profit or loss, or directly in the available-for-sale reserve, according to an irrevocable election made at the asset's inception, on an asset by asset basis.

Minority equity investments are included within non-current assets unless the carrying value is expected to be recovered principally through sale within the next 12 months, in which case they are included within current assets.

On disposal, the difference between the carrying amount and the sum of the consideration received is recognised in the Statement of Comprehensive Income.

ii. 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 Statement of Comprehensive Income.

iii. 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

1. Accounting policies (continued)

d) Investment in subsidiaries

An investment in a subsidiary is recognised at cost less any provision for 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 inventories (see accounting policy c), assets classified as held-for-sale, financial assets (see accounting policy c) and deferred taxation (see accounting policy h) to determine whether there is any indication that any of those assets have suffered an impairment loss.

An impairment is recognised in the Statement of Comprehensive Income 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 profits for period, 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.

Notes to the financial statements

1. Accounting policies (continued)

f) Tax, including deferred tax (continued)

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.

g) Foreign currency translation

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

Trading activities denominated in foreign currencies are recorded in pounds sterling at the applicable monthly exchange rates. Monetary assets, liabilities and commitments denominated in foreign currencies at the balance sheet date are recorded at the rates of exchange at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated to pounds sterling at the exchange rate prevailing at the date of the initial transaction. Gains and losses from the retranslation of assets and liabilities are included net in profit for the year/period.

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

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after 1 January 2020. 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 References to the Conceptual Framework in IFRS Standards

i) 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 6)

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 judgement in respect of certain items whose tax 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 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 judgement, as described above.

Notes to the financial statements

1. Accounting policies (continued)

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

(i) Taxation, including deferred taxation (continued)

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.

(ii) Minority equity investments (see note 8)

The key areas of judgement in respect of minority equity investments are the assessment of whether there is objective evidence that a loss event has occurred after initial recognition of a minority equity investment, and whether such a loss event has a reliably measurable impact on the estimated future cash flows of the investment. At each balance sheet date, management considers whether there is objective evidence that a loss event has occurred and whether it has had an impact on the estimated future cash flows of the minority investment. If a loss event has occurred, management would then consider whether an impairment loss has occurred and the quantum of that loss.

2. (Impairment)/ Profit on disposal of investments

During the period ending 31 December 2019, £74,980,000 impairment losses were recognised, including:

- i. £3,590,000 Dial Square: In September 2019, it was concluded that Sky would be writing off the investment in Dial Square, as they have been unable to raise capital to pivot the business and will likely be shutting down operations.
- ii. £14,555,000 Fubo Tv Inc: Fubo were exhibiting signs of financial distress and therefore potentially triggering an impairment. Due to the quantitative and qualitative indicators of impairment, and in the absence of a more objective valuation basis being available, Sky made a 33% impairment in Q4 2019.
- iii. £55,781,000 iFlix Limited: As at 30 September 2018, following a funding round, Sky's c.6.6% holding was revalued indicating an impairment. In Q2 2020 iFlix entered into an asset purchase agreement to sell substantially all of their assets. It is concluded that the fair value of equity would be nil and the remaining balance was to be written off.

£10,643,000 was recognised as profit on disposal of investments (2018: £49,072,000), including £4,532,000 from the sale of Pluto Inc and £4,543,000 disposal of DataXu Inc.

There were £1,908,000 IFRS 9 revaluations recorded in the P&L.

Notes to the financial statements

3. Income from shares in Group undertakings

	2019 £'000	2018 £'000
Dividends received from joint ventures, associates and subsidiary undertakings of the Company which are going concerns	21,304	12,274

Income from shares in Group undertakings relates to dividends received from Love Productions Limited, Attheraces Holdings Limited, Jupiter Entertainment Holdings LLC, Blast! Films Limited, and True North Productions Limited.

4. Investment income and finance costs

	2019 £'000	2018 £'000
Investment income		
Interest receivable from joint ventures	276	138
	2019 £'000	2018 £'000
Finance costs		
FX revaluation	-	(111)

5. Loss before tax

Loss before tax is stated after charging:

Employee Services

There were no employee costs during the period, 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. The Directors did not receive any remuneration during the period 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 £15,000 (2018: £11,000) were borne by another Group subsidiary in 2019 and 2018. No amounts for other services have been paid to the auditor.

Notes to the financial statements

6. Tax

a) Tax recognised in the income statement / statement of comprehensive income

	2019 £000	2018 £000
Current tax expense (credit)		
Current year/period	89	534
Adjustment in respect of prior years	(49,514)	(1,564)
Total current tax charge (credit)	(49,425)	(1,030)

b) Reconciliation of effective tax rate

The tax credit for the period is higher (2018: lower) than the credit that would have been credited using the standard rate of corporation tax in the UK of 19.0% (2018: 19.0%) applied to loss before tax. The differences are explained below:

	2019 £000	2018 £000
Profit / (loss) before tax	(45,085)	61,373
Profit / (loss) before tax multiplied by rate of corporation tax in the UK of 19.0% (2018: 19.0%)	(8,566)	11,661
Effects of:		
Non taxable profit on disposal of investments	(2,095)	(9,863)
Non-taxable dividend income	(4,048)	(1,793)
Other permanent differences	14,214	(39)
Group relief surrendered for £ nil consideration	495	34
Overseas tax	89	534
Adjustment in respect of prior years	(49,514)	(1,564)
Tax	(49,425)	(1,030)
All tax relates to overseas tax.		

Notes to the financial statements

7. Investment in subsidiaries, joint ventures and associates

The following are included in the net book value of fixed asset investments:

	2019 £'000	2018 £'000
Investments in subsidiary undertakings (i)	228,584	173,989
Investments in joint ventures and associates (ii)	6,049	1,904
Total	234,633	175,893

i) Investments in subsidiary undertakings

	Shares Total £'000
Cost	
At 30 June 2017	118,445
Transfer from JV and associates	1,067
Investment Additions	54,477
At 30 June 2018	173,989
Transfer from JV and associates	850
True North Earn Out	874
Avanti Media Group Working Capital	(178)
Investment Additions	53,049
At 31 December 2019	228,584

Investments in subsidiaries shown above represent the cost of the shares of the wholly-owned subsidiary undertakings plus non-current loans advanced, less provisions made for any impairment in value.

Subscription for shares in subsidiaries

Details of investments in subsidiaries are as follows:

All wholly owned unless otherwise stated

Incorporated in the UK

Grant Way, Isleworth, Middlesex TW7 5QD

Name
Blast! Films Limited (70%)
Kidsprog Limited
Love Productions Limited (70.4%)
Sky Comedy Limited
Sky History Limited
Sky IQ Limited
True North Productions Limited (66%)
Sugar Films Limited (50.01%)

Notes to the financial statements

7. Investment in subsidiaries, joint ventures and associates (continued)

i) Investments in subsidiary undertakings (continued)

Subscription for shares in subsidiaries (continued)

Details of investments in subsidiaries are as follows:

All wholly owned unless otherwise stated.

Incorporated in the UK

Millbank Tower, 21-24 Millbank, London SW1P 4QP

Name

Attheraces Holdings Limited (50.41%)

36 Cardiff Road, Llandaff, Cardiff CF52DR

Name

Avanti Media Group Limited (51%)

Incorporated in the USA

Corporation Trust Center 1209 Orange Street, Wilmington, New Castle, Delaware, 19801

Name

BSkyB US Holdings, Inc (100%)

Znak & Co. LLC (Membership interest (67.5%))

1675 S. State Street, Suite B, Dover, DE19901

Name

Jupiter Entertainment Holdings LLC (Membership interest (60%))

Notes to the financial statements

7. Investment in subsidiaries, joint ventures and associates (continued)

ii) Investments in joint ventures and associates

Shares

	Total £'000
Cost	
At 30 June 2017	3,589
Investment Additions	106
Transfer to Subsidiary	(1,067)
At 30 June 2018	2,628
Investment Additions	5,690
Transfer to Subsidiary	(850)
At 31 December 2019	7,468
Provision	
At 30 June 2017, 2018	724
At 31 December 2019	1,419
Carrying amounts	
At 30 June 2017	2,865
At 30 June 2018	1,904
At 31 December 2019	6,049

In the period the Company increased its shareholdings in True North Productions Limited from 60% to 66% and Sugar Films Limited from 24.9% to 51%. With a decrease in Chrysalis Vision Limited from 41% to 28.8% however later impaired in full.

During the period the Company made new investments in Skybound Stories Inc and True to Nature Ltd. Our shareholdings are 25.62% and 24.9% respectively.

Details of the investments in joint ventures and associates are as follows:

Incorporated in the UK

100 Avebury Boulevard, Milton Keynes, MK9 1FH

Name

Odeon and Sky Filmworks Limited (50.00%)

16 The Furlong, Henleaze, Bristol, BS6 7TF

Name

True to Nature Ltd (24.90%)

1st Floor Suite, 181b Kensington High Street, London W8 6SH

Name

Chrysalis Vision Limited (28.80%)

Notes to the financial statements

7. Investment in subsidiaries, joint ventures and associates (continued)

ii) Investments in joint ventures and associates (continued)

Incorporated in the USA

USA – 874 Walker Rd, Suite C, Dover, DE 19904

Name

Talos Films, LLC (25.00%)

USA – Paracorp Incorporated, 2140 S Dupont Highway, Camden, Kent Delaware 19934

Name

Skybound Stories, Inc (25.62%)

USA - 16192 Coastal Hwy, Sussex, DE 19958

Name

Life of Crime Productions, LLC (25.00%)

8. Minority equity investments

	2019 £'000	2018 £'000
Non-current assets		
Equity investments	78,072	113,939

During the current period, the Group invested £11,766,000 (2018: £1,606,000) which included; £1,471,000 investment in SDVI Corp, £3,124,000 investment in Youi Labs Inc, £1,003,000 investment in in Flavourworks Lts, £2,742,000 in Waverly Capital LLP and £1,490,000 in Hiro Capital LP. In addition, there was a net £30,474,000 uplift recorded from IFRS 9 revaluations, of which £32,382,000 was recognised as a transition adjustment at 1 July 2018 (see note 1 for details of first-time adoption of IFRS 9 on the Company's opening balance sheet), and the remaining £1,908,000 relating to revaluation losses in the current period. £74,286,000 of impairments were recognised following Comcast's acquisition of Sky, these are discussed in note 2.

At December 2019 the Company had committed to invest £13,474,000 (2018: £4,582,000) in various Limited Partnerships.

Equity investments intended to be held for an indefinite period of time are classified as investments measured at fair value through profit or loss. They are carried at fair value, with movements in fair value recognised directly in the Statement of Comprehensive Income.

Any impairment losses in equity investments classified as investments measured at fair value through profit or loss are recognised in the Statement of Comprehensive Income and are not reversible through the Statement of Comprehensive Income and are determined with reference to the closing market share price at the balance sheet date. Any subsequent increase in the fair value of the investment above the impaired value will be recognised within the Statement of Comprehensive Income.

Investments measured at fair value through profit or loss are included within non-current assets unless the carrying value is expected to be recovered principally through sale rather than continuing use, in which case they are included within current assets. On disposal, the difference between the carrying amount and the sum of the consideration received is recognised in the Statement of Comprehensive Income.

Notes to the financial statements

9. Trade and other receivables

	2019 £'000	2018 £'000
Amounts receivable from parent company ^(a)	69,759	-
Amounts receivable from other Group companies ^(b)	461,974	440,809
Amounts receivable from subsidiaries ^(c)	500	-
Amounts receivable from joint ventures and associates ^(d)	1,440	1,747
Other	367	1
Current trade and other receivables	534,040	442,557
Non-current receivables	1,704	-
Total trade and other receivables	535,744	442,557

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. An allowance of £12,100,000 has been recorded against amounts receivable from the other Group companies. All other balances have been assessed to be fully recoverable.

a) Amounts receivable from parent company

There are amounts due from the parent company totalling £69,759,000 that are trade receivables; these balances are non-interest bearing and are repayable on demand.

b) Amounts receivable from other Group companies

Amounts due from other Group companies as at 31 December 2019 are £461,974,000 (2018: £440,809,000). £53,634,000 (2018: £32,470,000) represent trade receivables, these are non-interest bearing and repayable on demand. The balance of £408,340,000 (2018: £408,339,000) are loans as detailed below.

In November 2014 the Company entered into a loan agreement with Sky Operational Finance Limited whereby Sky Ventures is the lender and Sky Operational Finance Limited is the borrower. At 31 December 2019 the balance of this loan was £408,340,000 (2018: £408,339,000). The balance is non-interest bearing and repayable on demand.

c) Amounts receivable from subsidiaries

There are amounts due from subsidiaries totalling £500,000 that are trade receivables; these balances are non-interest bearing and are repayable on demand.

d) Amounts receivable from joint ventures and associates

Amounts due from associates as at 31 December 2019 are £1,440,000 (2018: £1,747,000) these balances are interest bearing at 2%.

Notes to the financial statements

10. Trade and other payables

	2019 £'000	2018 £'000
Amounts payable to ultimate parent company ^(a)	50,590	49,796
Amounts payable to other Group companies ^(b)	48,141	173,121
Amounts payable to subsidiaries	151,275	-
Accruals	115,692	63,443
Total trade and other payables	365,698	286,360

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

a) Amounts payable to the ultimate parent company

Amounts payable to the parent company as at 31 December 2019 are £50,590,000 (2018: £49,796,000). £34,449,000 (2018: £33,655,000) represent trade payables; these are non-interest bearing and are repayable on demand. The remaining £16,141,000 (2018: £16,141,000) is loans as detailed below.

On 17 October 2011, the Company entered into a £60,000,000 credit facility with Sky UK Limited. This facility is non-interest bearing and repayable on demand. At 31 December 2019, the balance on this account was £12,141,000 (2018: £12,141,000). The remaining £4,000,000 is in relation to a non interest bearing loan with Sky UK Limited repayable on demand (2018: £4,000,000).

b) Amounts payable to other Group companies

These balances represent trade payables and are non-interest bearing and are repayable on demand.

c) Amounts payable to subsidiaries

These balances represent trade payables and are non-interest bearing and are repayable on demand.

Notes to the financial statements

11. Derivatives and other financial instruments

(a) Carrying value and fair value

The Company's principal financial instruments comprise amounts receivable from other Group companies. The Company has various financial liabilities such as amounts payable from other Group companies.

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

	Minority Equity Investments £'000	Loans and receivables £'000	Other liabilities £'000	Total carrying value £'000	Total fair values £'000
At 31 December 2019					
Trade and other payables	-	-	(365,698)	(365,698)	(365,698)
Trade and other receivables	-	535,744	-	535,744	535,744
Minority Equity Investments	78,072	-	-	78,072	78,072
At 30 June 2018					
Trade and other payables	-	-	(286,360)	(286,360)	(286,360)
Trade and other receivables	-	442,557	-	442,557	442,557
Minority Equity Investments	113,939	-	-	113,939	113,939

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;
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) 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;

The differences between carrying values and fair values reflect unrealised gains or losses inherent in the financial instruments, based on valuations as at 31 December 2019 and 30 June 2018. The volatile nature of the markets means that values at any subsequent date could be significantly different from the values reported above.

Notes to the financial statements

11. Derivatives and other financial instruments (continued)

(b) Fair value hierarchy

All of the Company's financial instruments in both the current period and prior year which are held at fair value are classified as Level 2 assets apart from minority equity investments which are Level 3. The fair value hierarchy reflects the degree to which observable inputs are used in determining their fair values:

Level 1 - Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities, including shares in listed entities.

Level 2 - Fair values measured using inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly. Derivative financial instrument fair values are present values determined from future cash flows discounted at rates derived from market source data.

Level 3 - Fair values measured using inputs for the asset or liability that are not based on observable market data.

12. 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 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 Comcast's policies approved by its Board of Directors.

Credit risk

The Company's maximum exposure to credit risk on trade receivables is the carrying amounts disclosed in note 9.

Notes to the financial statements

12. Financial risk management objectives and policies (continued)

Liquidity risk

The Company's financial liabilities are shown in note 10.

The following table analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period 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 borrowings, derivative financial instruments, provisions and 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
At 31 December 2019				
Trade and other payables	365,698	-	-	-
At 30 June 2018				
Trade and other payables	286,360	-	-	-

13. Share capital

	2019 £	2018 £
Authorised, allotted, called-up and fully paid		
912 (2018: 912) ordinary shares of £1 (2018: £1) each	912	912

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

14. Shareholders' equity

	2019 £'000	2018 £'000
Share capital	1	1
Available-for-sale reserve	-	(14)
Retained earnings	482,750	446,042
Total Shareholders' Equity	482,751	446,029

Notes to the financial statements

15. Transactions with related parties

a) Transactions with the ultimate and immediate parent companies

For details of amounts owed to and by the ultimate and immediate parent companies, see notes 9 and 10.

b) Transactions with joint ventures and associates

The Company lends amounts to its associates and joint ventures. During the period, it recorded £264,000 (2018: £107,000 payable) of interest payable on these loans (see note 4 for details). For information on amounts owed from joint ventures, see note 9.

c) Transactions with other Group companies

For details of amounts owed to and by other group companies, see notes 9 and 10.

16. Ultimate parent undertaking

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

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>

17. Post balance sheet events

Subsequent to 31 December 2019, the novel COVID-19 outbreak was declared a pandemic, and measures taken to prevent its spread are impacting Sky's business in a number of ways. The impacts of COVID-19 on the Company's business activities are set out in the Strategic Report.