SKY RETAIL STORES LIMITED

Annual report and financial statements
For the year ended 31 December 2022

Registered number: 03990450

Directors and Officers

For the year ended 31 December 2022

Directors

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

C Smith	(resigned 12 May 2023)
T C Richards	
S Robson	
K Holmes	(appointed 16 May 2023)

Secretary

Sky Corporate Secretary Limited

Registered office

Sky Central
Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Strategic and Directors' Report

Strategic Report for the year ended 31 December 2022

The Directors present their Strategic Report on the affairs of the Company, together with the Directors' Report, audited financial statements and Auditor's Report for the year ended 31 December 2022, with comparatives for the year ended 31 December 2021.

The purpose of the Strategic Report is to inform members of the Company and to help them assess how the Directors have performed their duty to promote the success of the Company for the benefit of its members as a whole under Section 172(1) of the Companies Act 2006 (duty to promote the success of the Company).

Business review and principal activities

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

The Company's principal activity is as a sales and advisory outlet for Sky Television, NOW TV, Sky Broadband, Sky Talk and Sky Mobile products. Operations are conducted from kiosk based units and shops which are located in many UK shopping centres. These outlets provide the Company's customers with the opportunity to ask questions about, and see demonstrations of, Sky products before subscribing to any service. The Directors are not aware, at the date of this report, of any major changes in the Company's activities in the next year.

Financial Review and Dividends

The audited financial statements for the year ended 31 December 2022 are set out on pages 13 to 28.

The profit before tax for the year was £3,798,000 (2021: £2,986,000). Revenue has increased to £41,723,000 (2021: £32,847,000) and operating expenses have increased to £37,925,000 (2021: £29,861,000).

The balance sheet shows that the Company's shareholder's equity position at the year-end was £28,305,000 (2021: £24,376,000), which has increased as a result of the profit in the year. The Directors do not recommend the payment of a dividend for the year ended 31 December 2022 (2021: £nil).

During the year the Company transitioned from reporting under UK-adopted IFRS Accounting Standards to reporting under Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"). This transition has not led to any changes to any accounting policies in comparison to the prior-year and no previously reported numbers have been restated as a result of the transition.

A list of the disclosure exemptions taken following the adoption of FRS 101 is included in note 2.

Key performance indicators (KPIs)

Comcast and the Company manage their operations on a divisional basis. For this reason, the Directors believe that an analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The results of the Company are included in the KPIs of Comcast, the ultimate controlling party. More information is included in Comcast's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended 31 December 2022, and subsequent filings.

Principal risks and uncertainties

The Company's business is heavily regulated and changes in regulations, changes in interpretation of existing regulations or failure to obtain required regulatory approvals or licences could adversely affect the Company's ability to operate or compete effectively. The Company's business is reliant on technology which is subject to the risk of failure, change and development. The Company operates in a highly competitive environment that is subject to rapid change and it must continue to invest to remain competitive. The failure of key suppliers could affect the Company's ability to operate as a business. The Company relies on a number of third parties and outsourced suppliers to support its supply chain.

Strategic and Directors' Report (continued)

Section 172(1) statement

Under section 172(1) of the Companies Act 2006, the Directors must act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

This section explains how the Directors of the Company, both individually and collectively, have had regard to the factors listed above in their decision making during the year ended 31 December 2022. As part of their decision-making process, the Directors have regard to the likely consequences of any decision in the long term.

The Company is a subsidiary of the Comcast Group and therefore consideration of stakeholder engagement is intrinsically linked to the wider Comcast strategy in order to achieve a greater aligned impact, rather than at an individual company level. Decisions made by the Directors consider the Comcast Group's strategic goals and follow Comcast's Code of Conduct, which reflects our shared commitment to integrity and seeks to ensure that the Company maintains high standards of business conduct. The Directors also have due regard to other relevant policies, frameworks and internal controls of the Comcast Group in relation to governance and stakeholder matters. Principal decisions made at the Company level include approving the annual financial statements and dividend distribution in Board meetings, among others.

Our Employees

The Directors recognise that employees are central to our success. We celebrate diversity, equity and inclusion and seek to have a workforce that is inclusive and reflective of the diversity of our stakeholders, including our shareholders, employees, customers, suppliers and the communities where we operate.

The Company and its Directors are proud of our community of employee resource groups, which are voluntary, employee-led organisations dedicated to developing the careers of our employees, contributing to community service and building on an inclusive and collaborative workplace and culture. The Company is committed to equal opportunities in employment and recruitment and promoting the diversity of our workforce in respect of, among others, disability, race, gender, age, sexual orientation, pregnancy, marital status or fixed or part time status. We aim to ensure a transparent, professional working environment where employees treat each other with respect and in which all employment-related decisions (from recruitment to career development and progression) are based on the individual's qualifications, ability, performance, skills and potential. We communicate with our employees frequently and conduct employee engagement surveys.

Our Partners

As a part of the Comcast Group, the Directors and the Company as a whole seek to build long-term relationships with our suppliers and customers and help them succeed. A critical part of doing business is partnering with others, and we believe that partnerships are built on trust and mutual advantage. The Comcast Group considers these relationships and the feedback received from engagement with our partners in its decision-making process.

We expect our suppliers and business partners to act ethically and share in our commitment to operate with integrity and in accordance with applicable laws and regulations, as set forth in our Code of Conduct for Suppliers and Business Partners, available here: https://corporate.comcast.com/impact/values-integrity/integrity/our-suppliers-and-business-partners.

Comcast's annual Statement on Modern Slavery and Supply Chain Values and Sky's Modern Slavery Update provide more information on Company's approach to understanding and addressing the risks of modern slavery, and conducting human rights due diligence.

Our Communities

As a part of the Comcast Group, a global media and technology company, the Directors and the Company as a whole seek to use the power of our platforms, our people, and our reach to create positive change and a more equitable society. By supporting local communities, our teammates, and our planet we can help create a world of unlimited possibilities so that together we can build a future that benefits generations to come. We are focusing our efforts in the following areas:

- *Digital Equity.* Helping people access the resources, skills and tools they need to succeed in an increasingly digital world.
- *Diversity, Equity and Inclusion.* Creating a more diverse and equitable company and society.
- *Environment.* Shaping a more sustainable future by improving our environmental impact.
- *Values and Integrity.* Fostering a company culture built on integrity and respect. Our values and principles guide everything we do.

Strategic and Directors' Report (continued)

Section 172(1) statement (continued)

Environment

The Directors and the Company as a whole have considered the importance of climate change and working towards the Comcast Group's strategy for a sustainable future, which includes setting a goal to be carbon neutral by 2035 in Scope 1 and 2 emissions across our global operations. Comcast Group also recently took the critical step of joining the Science Based Target initiative (SBTi) on climate action, committing to set near-term emissions reduction goals. To achieve these goals, we are focused primarily on sourcing renewable and clean energy and improving energy efficiency. We are also innovating to create more sustainable products and packaging. More details on the Comcast Group's environmental strategy can be found at https://corporate.comcast.com/impact/environment.

The Directors and management of the Company are responsible for ensuring the Company contributes to the progress toward these Group wide goals, and consideration of these goals, together with wider environmental impact considerations, are incorporated into the Company's decision-making processes. For more information on Group wide environmental performance and progress, see the 2022 Carbon Footprint Data Report, the Sustainability Accounting Standards Board (SASB) Report, the Task Force on Climate-Related Financial Disclosures (TCFD) Report and the Carbon Disclosure Project (CDP) Report, all available on Comcast Group's ESG Reporting website at https://www.cmcsa.com/esg-reporting.

Members

The Company is a wholly owned subsidiary of Sky UK Limited and is part of the Sky Group and is ultimately controlled by Comcast. The duties of the Directors are exercised in a way that is most likely to promote the success of the Company, the Sky Group and the Comcast Group as a whole, while having regard to the factors outlined in Section 172(1).

Approved by the Board and signed on its behalf,

T C Richards
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

21 September 2023

Directors' Report for the year ended 31 December 2022

The Directors present their report and the audited financial statements of Sky Retail Stores Limited (the "Company") for the year ended 31 December 2022.

Directors

The Directors who served during the year are shown on page 2.

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 key exposures to risk.

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

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

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

Director's confirmations

For the purposes of Section 418 of the Companies Act 2006, in case of each Director in office at the date of this report is approved:

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

Auditor

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them was approved by the Board of Directors on 21 September 2023.

Dividend

The Directors do not recommend the payment of a final dividend in the current year (2021: £nil).

Financial risk management

The Company's activities expose it to financial risks, namely credit risk, and liquidity risk.

The Directors do not believe the Company is exposed to significant financial risk, interest rate risk or foreign exchange risk.

Credit risk

The Balance Sheet of the Company includes intercompany balances and the Company is therefore exposed to credit risk on these balances. The intercompany balances of the Company are detailed in notes 10 and 11 of the accompanying financial statements.

Liquidity risk

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

Future developments

The Directors do not expect any changes to the business model in the foreseeable future.

Employee engagement statement

The Directors and the Company as a whole place considerable value on the involvement of employees, and have continued to keep them informed on matters affecting them as employees and various factors affecting the performance of the Company. Employees are consulted through formal and informal meetings and internal communications, with the aim of ensuring that their views are taken into account when decisions are made which are likely to affect their interests, and that all employees are aware of the financial and economic performance of the Company and of Comcast Group as a whole. Furthermore, directors have regard to employee interests in the context of principal decisions made with respect to the Company during the year. We seek to create an engaged workforce through proactive listening and constructive dialogue, including through employee engagement surveys, as well as through Comcast's nine employee resource groups, with 35,000 members in over 200 chapters, including a variety of uniquely tailored mentorship programs across our business. Comcast has an open door policy and culture so employees can report any questions or concerns - whether involving a workplace issue, a concern about suspected illegal or unethical conduct or any other matter - trusting that we will take their concerns seriously and without fear of retaliation. See also the "Section 172 statement" section of the Strategic Report for more information on how we consider the interests of our employees.

Comcast has employee stock purchase plans in the United States, United Kingdom, Ireland and several other European countries where most of our full-time and part-time employees can purchase Comcast stock at a discount.

Disabled persons

Applications for employment by anyone with a physical or mental impairment are always fully considered, bearing in mind the abilities of the applicant concerned. For members of staff with a disability, or who become disabled during employment, every effort is made to ensure that their employment with the Company continues and that appropriate adjustments are considered and support provided, in line with our reasonable adjustment policy. If a disabled employee is unable to continue in their current role after considering the adjustments available, we have a redeployment policy to provide support to help the employee secure an alternative role. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be equal to that of other employees.

Stakeholder engagement statement

The Company and Comcast maintain an active dialogue with Comcast's shareholders to consider a diversity of perspectives. Information on engagement with stakeholders, including suppliers, customers and communities, is set out in the "Section 172 statement" section of the Strategic Report.

Streamlined energy and carbon reporting (SECR)

The Company is a wholly-owned subsidiary of Sky UK Limited (the immediate parent company) and operates as part of the Sky Group. Information on our carbon footprint across Scope 1, Scope 2 and certain Scope 3 emissions, an appropriate intensity metric, and the total energy use of electricity, gas and transport fuel is not practical to determine at the Company level. The information is obtainable only at the Sky Group and the UK and Ireland levels, and there is no practical allocation method available (for example based on revenue or headcount) that would result in consistent and reliable information between companies in the Sky Group and over time. Accordingly, the table below presents our carbon footprint for Sky Group and the UK and Ireland, which are the only levels at which the information can be practically obtained.

	2022		2021	
	UK and Ireland	**Sky Group**	**UK and Ireland**	**Sky Group**
Carbon Intensity				
Revenue (£m)	**11,097**	**14,521**	**10,891**	**14,744**
Carbon intensity (Total scopes 1 and 2 (location-based) tCO2e/£m revenue	**5.27**	**5.55**	**5.67**	**6.06**
Carbon Emissions (tCO2e)				
Scope 1 (Fuel combustion and operation of facilities)	**25,693**	**29,336**	**21,657**	**38,324**
Scope 2 (market-based purchased energy)	**-**	**2,963**	**3,038**	**8,149**
Total Scope 1 and Scope 2 (market-based purchased energy)	**25,693**	**32,300**	**24,695**	**46,473**
Scope 2 (location-based purchased energy)	**32,772**	**51,237**	**40,090**	**51,055**
Total Scope 1 and Scope 2 (location-based purchased energy)	**58,466**	**80,574**	**61,747**	**89,379**
Total Energy consumption Scope 1 and Scope 2 (kWh)	**281,669,579**	**367,937,642**	**280,703,720**	**400,474,465**
Carbon Emissions (Scope 3 tCO2e)				
Scope 3 (Business travel in non-company vehicles)	**1,013**	**1,194**	**977**	**1,095**

Streamlined energy and carbon reporting (SECR) (continued)

Methodology

We calculate our greenhouse gas emissions in carbon dioxide equivalent (CO_2e) for Scopes 1 and 2 according to the Greenhouse Gas Protocol Corporate Standard and associated guidance. We use the emission factors from the latest UK Government (DEFRA/BEIS) Greenhouse Gas Conversion Factors for Company Reporting (2021), IEA Statistics Data Service: Emission Factors (2021 edition) and the Association of Issuing Bodies: Version 1.0 2020 European Residual Mixes (2021 edition). Data for UK & Ireland includes Sky Limited's Joint Ventures, small international offices and news bureaux and business activities in Portugal.

Our total gross CO2e emissions include all Scope 1 and Scope 2 location-based greenhouse gas emissions; and our market-based emissions are those remaining after emissions factors from contractual instruments have been applied. Our energy providers retain, on our behalf, the Guarantees of Origin and Renewable Energy Guarantee of Origin. In addition, we offset our total gross emissions, including Scope 1, location-based Scope 2 and selected Scope 3 emissions, through the purchase of Voluntary Carbon Standard offsets.

For our full basis of reporting, please see our website https://www.skygroup.sky/documents-policies.

Measures taken to increase energy efficiency

During the prior year, to further reduce our Scope 1 and 2 emissions, Sky Group replaced diesel generator fuel with HVO (Hydrotreated Vegetable Oil), a low carbon biofuel, at three main sites and optimised cooling at our technical sites amongst other initiatives to maximise energy efficiency.

Approved by the Board and signed on their behalf by:

T C Richards
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

21 September 2023

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Auditor's Report

Independent auditor's report to the members of Sky Retail Stores Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Independent auditor's report to the members of Sky Retail Stores Limited (continued)

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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

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

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

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

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

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

Auditor's Report (continued)

Independent auditor's report to the members of Sky Retail Stores Limited (continued)

Report on other legal and regulatory requirements

Opinion 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 and the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Jon Young FCA, (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
21 September 2023

Income Statement

For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Revenue	3	**41,723**	32,847
Operating expense		**(37,925)**	(29,861)
Operating profit		**3,798**	2,986
Profit before tax	4	**3,798**	2,986
Tax	7	**131**	(560)
Profit for the year attributable to equity shareholder		**3,929**	2,426

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

For the year ended 31 December 2022 and 31 December 2021, the Company did not have any other items of Comprehensive Income. Accordingly, no separate Statement of Comprehensive Income is presented.

All recognised gains and losses for both the current financial year and the previous financial year arise from continuing operations.

Balance Sheet

As at 31 December 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Property, plant and equipment	8	**-**	-
Deferred tax assets	9	**332**	236
Total non-current assets		**332**	236
Current assets			
Trade and other receivables	10	**41,639**	28,443
Total current assets		**41,639**	28,443
Total assets		**41,971**	28,679
Current liabilities			
Trade and other payables	11	**8,214**	4,303
Provisions	12	**5,452**	-
Total current liabilities		**13,666**	4,303
Net current assets		**27,973**	24,140
Share capital	15	**50**	50
Share premium	16	**1,040**	1,040
Reserves	16	**27,215**	23,286
Total equity attributable to equity shareholder	16	**28,305**	24,376
Total liabilities and shareholder's equity		**41,971**	28,679

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

The financial statements of Sky Retail Stores Limited, registered number 03990450 were approved by the Board of Directors on 21 September 2023 and were signed on its behalf by:

T C Richards
Director

21 September 2023

Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total shareholder's equity £'000
At 1 January 2021	50	1,040	20,860	21,950
Profit for the year	-	-	2,426	2,426
Total comprehensive income for the year	**-**	**-**	**2,426**	**2,426**
At 31 December 2021	**50**	**1,040**	**23,286**	**24,376**
Profit for the year	-	-	3,929	3,929
Total comprehensive income for the year	**-**	**-**	**3,929**	**3,929**
At 31 December 2022	**50**	**1,040**	**27,215**	**28,305**

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

All results relate to continuing operations.

Notes to the financial statements

1. Company information

Sky Retail Stores Limited (the "Company") is a private 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, United Kingdom, TW7 5QD and registered number is 03990450. The Company's principal activities are set out in the Strategic report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2. Significant accounting policies

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"), in conformity with the requirements of the Companies Act 2006.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. During the year ended 31 December 2022 the Company transitioned from reporting under UK-adopted IFRS Accounting Standards ("IFRS") to reporting under FRS 101. This transition has not led to any changes to any accounting policies in comparison to the prior-year and no previously reported numbers have been restated as a result of the transition.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of IFRS, but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

b) Basis of preparation

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.

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 assessment of risk.

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

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

As a result, after making enquiries, the Directors have formed a judgement at the time of approving the financial statements that the Company will have access to adequate resources to continue for at least 12 months from the signing of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2. Significant accounting policies (continued)

c) Property, plant and equipment ("PPE")

i. Property, plant and equipment ("PPE")

Owned PPE is stated at cost, net of accumulated depreciation and any impairment losses, (see accounting policy e). When an item of PPE comprises major components having different useful economic lives, the components are accounted for as separate items of PPE.

The costs of assets comprise the following, where applicable:

- Purchase price, including import duty and non-refundable purchase taxes, after probable trade discounts and rebates; and
- Directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including relevant delivery and logistics costs.

The cost of PPE, less estimated residual value, is depreciated in operating expense on a straight-line basis over its estimated useful life. Land, and assets that are not yet available for use, are not depreciated. Principal useful economic lives used for this purpose are:

Kiosks equipment	5 to 20 years

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

To the extent that the financing for a qualifying asset is part of the Group's general borrowings, the interest cost to be capitalised is calculated based upon the weighted average cost of borrowing to the Group (excluding the interest on any borrowings specific to any qualifying assets). This is then applied to the expenditures on the asset.

All other borrowing costs are recognised in profit or loss in the year to which they relate.

d) 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 initially recognised at fair value plus any directly attributable transaction costs. 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. Financial assets are determined to be current or non-current based on expected settlement, whilst financial liabilities are determined to be current or non-current based on their contractual settlement date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently enforceable legal right to set off the recognised amounts and there is the ability and intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

i. Trade and other receivables

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

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

ii. Trade and other payables

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

2. Significant accounting policies (continued)

e) Impairment

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

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

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

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

f) Provisions

Provisions are recognised when the Company has a probable, present legal or constructive obligation to make a transfer of economic benefits as a result of past events where a reliable estimate is available. The amounts recognised represent the Company's best estimate of the transfer of benefits that will be required to settle the obligation as of the balance sheet date.

Provisions are discounted if the effect of the time value of money is material using a pre-tax market rate adjusted for risks specific to the liability.

g) Revenue recognition

Revenue, which excludes value added tax, represents the gross inflow of economic benefit from the Company's operating activities, and is measured at the fair value of the consideration received or receivable.

The Company's principal activity is the operation of sales and advisory outlets for Sky Television, Sky Broadband and Sky Talk products. The main source of revenue derives from recharges to other companies in the Sky Group of companies, which is recognised when the services are performed.

h) Employee benefits

i. Wages, salaries and social security contributions

Wages, salaries, social security contributions, bonuses payable and non-monetary benefits for current employees are recognised in the Income Statement as the employees' services are rendered.

***ii.* Pension obligations**

Where the Company provides pensions to eligible employees through defined contribution schemes, the amount charged to the Income Statement in the year represents the cost of contributions payable by the Company to the schemes in exchange for employee services rendered in that year. The assets of the schemes are held independently of the Company.

iii. Termination benefits

Termination benefits are recognised as a liability at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs, such termination being before the normal retirement date or as the result of an offer to encourage voluntary redundancy.

2. Significant accounting policies (continued)

iv. Share based payments

The Company issues equity-settled share-based payments to certain employees, using shares of its ultimate parent undertaking Comcast, which are measured at fair value and recognised as an expense in the Income Statement with a corresponding increase in liabilities to the ultimate parent undertaking.

The fair values of these payments are measured at the dates of grant using option-pricing models, taking into account the terms and conditions upon which the awards are granted. The fair value is recognised over the period during which employees become unconditionally entitled to the awards, subject to the Company's estimate of the number of awards which will be forfeited, either due to employees leaving the Company prior to vesting or due to non-market based performance conditions not being met.

Where an award has market-based performance conditions, the fair value of the award is adjusted for the probability of achieving these via the option pricing model. The total amount recognised in the Income Statement as an expense is adjusted to reflect the actual number of awards that vest, except where forfeiture is due to the failure to meet market-based performance measures. In the event of a cancellation, whether by the Company or by a participating employee, the compensation expense that would have been recognised over the remainder of the vesting year is recognised immediately in the Income Statement.

i) 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 year when the liability is settled or the asset is realised. Deferred tax assets and liabilities are not discounted. Deferred tax is charged or credited in the Income Statement / 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.

j) FRS 101 exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of IAS 8 'Accounting policies, changes in accounting estimates and errors' to disclose information in relation to accounting standards which are issued but not yet effective;
- The requirements of IAS 24 'Related party disclosures' relating to key management compensation;
- The requirements of IAS 24 'Related party disclosures' to disclose related party transactions between two or more members of a group.

k) Critical judgements and key sources of estimation uncertainty

The application of the Company's accounting policies may require the use of estimation or judgement in a manner which may affect the Company's financial position or results.

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

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

Areas where estimation or judgement is applied have been discussed in the related accounting policies sections above.

Notes to the financial statements (continued)

3. Revenue

	2022 £'000	2021 £'000
Intercompany recharges	**41,723**	32,847
Total revenue	**41,723**	32,847

Revenue arises from goods and services provided to the UK and Ireland.

The transaction price allocated to (partially) unsatisfied performance obligations at 31 December 2022 are £nil (2021: £nil).

4. Profit before tax

Profit before tax is stated after charging	2022 £'000	2021 £'000
Depreciation and impairment of property, plant and equipment	-	7

5. Auditor's remuneration

Amounts paid to the auditor for the audit of the Company's annual financial statements of £32,400 (2021: £25,000) were borne by another Group subsidiary in both the current and prior year. No amounts for other services have been paid to the auditor.

6. Employee benefits

a) Company employee benefits

	2022 £'000	2021 £'000
Wages and salaries	**27,452**	24,318
Social security costs	**3,193**	2,710
Redundancy costs	**5,663**	132
Costs of employee share option schemes(i)	**285**	189
Contributions to the Sky Pension Plan ("the Pension Plan")(ii)	**1,300**	1,281
	37,893	28,630

(i) The expense recognised for employee share option schemes relates wholly to equity-settled share-based payments granted under the Restricted Stock Units and Sharesave schemes operated by Comcast Corporation (note 15).

(ii) The Company operates a defined contribution pension scheme through the Pension Plan. The pension charge for the year represents the cost of contributions payable by the Company to the scheme during the year. The Company's amount payable to the scheme at 31 December 2022 was £nil (2021: £nil).

The average monthly number of full-time equivalent persons (including temporary employees) employed by the Company during the year was 681 (2021: 706).

	2022 Number	2021 Number
Customer services, sales and marketing	**681**	706
	681	706

No (2021: none) temporary staff are included within the average number of full-time equivalent persons employed by the Company.

7. Tax

a) Tax recognised in the Income Statement

	2022 £'000	2021 £'000
Current tax (credit)/expense		
Current year	**24**	578
Adjustment in respect of prior years	**(59)**	-
Total current tax (credit)/charge	**(35)**	578
Deferred tax credit		
Origination and reversal of temporary differences	**(72)**	38
Adjustment in respect of prior years	**(1)**	-
Adjustment in respect of change in tax rate	**(23)**	(56)
Total deferred tax credit	**(96)**	(18)
Tax (credit)/expense	**(131)**	560

b) Reconciliation of effective tax rate

The tax (income)/expense for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%) applied to profit before tax. The differences are explained below:

The (credit)/charge for the year can be reconciled to the profit in the Income Statement as follows:

	2022 £'000	2021 £'000
Profit before tax	**3,798**	2,986
Profit before tax multiplied by rate of corporation tax in the UK of 19.0% (2021: 19.0%)	**722**	567
Effects of:		
Adjustment in respect of change in tax rates	**(23)**	(56)
Group relief (claimed)/surrendered for £nil consideration	**(825)**	-
Other permanent differences	**55**	49
Adjustment in respect of prior year	**(60)**	-
Tax	**(131)**	560

All tax relates to UK corporation tax.

8. *Property, plant and equipment*

	Kiosks Equipment £'000	Total £'000
Cost		
At 1 January 2021	1,206	1,206
At 31 December 2021	**1,206**	**1,206**
At 31 December 2022	**1,206**	**1,206**
Accumulated depreciation		
At 1 January 2021	1,199	1,199
Charge for the year	7	7
At 31 December 2021	**1,206**	**1,206**
At 31 December 2022	**1,206**	**1,206**
Carrying amounts		
At 1 January 2021	7	7
At 31 December 2021	-	-
At 31 December 2022	**-**	**-**

9. Deferred tax

Recognised deferred tax assets

	Accelerated tax depreciation £'000	Total £'000
At 1 January 2021	218	218
Effect of change in tax rate	56	56
Charge to income	(38)	(38)
At 31 December 2021	236	236
Adjustment in respect of prior years	1	1
Effect of change in tax rate	23	23
Credit to income	72	72
At 31 December 2022	**332**	**332**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the years in which they reverse. The rate enacted for the relevant years of reversal is 25% (2021: 25%).

Notes to the financial statements (continued)

10. Trade and other receivables

	2022 £'000	2021 £'000
Current		
Amounts falling due within one year:		
Amounts receivable from other group companies	**119**	25
Amounts receivable from immediate parent company	**41,323**	28,408
Prepayments	**-**	10
VAT	**197**	-
Current trade and other receivables	**41,639**	28,443
Total trade and other receivables	**41,639**	28,443

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. No expected credit loss has been recognised as the impact of such loss was assessed as being immaterial.

Amounts receivable from other group companies

Current
Amounts due from other Group companies as at 31 December 2022 totalling £118,532 (2021: £25,000) represent trade receivables, these are unsecured, non-interest bearing and are repayable on demand.

Amounts receivable from immediate parent company

Amounts due from immediate parent company Sky UK Limited totalling £41,323,500 (2021: £28,408,000) represent trade receivables; they are unsecured, non-interest bearing and are repayable on demand.

11. Trade and other payables

	2022 £'000	2021 £'000
Current		
Amounts falling due within one year:		
Trade payables	**1**	61
Amounts payable to parent company	**-**	706
Amounts payable to other group companies	**4,708**	1,281
Amounts payable to ultimate parent company	**-**	195
Accruals	**3,390**	2,060
Other payables	**115**	-
Total trade and other payables	**8,214**	4,303

The Directors consider that the carrying amount of trade and other payables approximates their fair values. Trade payables principally comprise amounts outstanding for programming purchases and on-going costs.

Amounts payable to parent company

Amounts due to the parent company totalling £- (2021: £706,000) represent trade payables; they are unsecured, non-interest bearing and are repayable on demand.

Amounts payable to other group companies

Amounts payable to the other group companies totalling £4,708,500 (2021: £1,281,000) represent trade payables to the other Group companies that are unsecured, non-interest bearing and are repayable on demand.

12. Provisions

	At 1 January 2021	Utilised during the year	At 31 December 2021	**Provided during the year**	**At 31 December 2022**
	£'000	£'000	£'000	**£'000**	**£'000**
Current liabilities					
Restructuring provision	273	(273)	-	**5,452**	**5,452**
	273	(273)	-	**5,452**	**5,452**

Additional provisions in the year relate to a corporate restructuring and efficiency programme which met the requirements for being recognised as at 31 December 2022.

13. Other financial Instruments

The *Comcast Group Treasury function* is responsible for liquidity management and credit risk. The Sky Group Treasury function is responsible for foreign exchange risk and interest rate risk. Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by Comcast Corporation who 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 that no speculative trading in financial instruments 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.

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

(a) Carrying value and fair value

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

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

	Financial Assets at Amortised Cost	**Financial Liabilities at Amortised Cost**	**Total carrying value**	**Total fair values**
	£'000	**£'000**	**£'000**	**£'000**
At 31 December 2022				
Trade and other payables	**-**	**(8,214)**	**(8,214)**	**(8,214)**
Trade and other receivables	**41,639**	**-**	**41,639**	**41,639**
At 31 December 2021				
Trade and other payables	-	(4,303)	(4,303)	(3,521)
Trade and other receivables	28,443	-	28,443	27,598

14. Financial risk management objectives and policies

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 Corporation's policies approved by its Board of Directors.

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

The Company's financial liabilities are shown in notes 11, 12 .

The following table analyses the Company's non-derivative 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. These amounts may therefore not reconcile to the liabilities disclosed on the Balance Sheet.

	Less than 12 months	Total
	£'000	£'000
At 31 December 2022		
Non-derivative financial liabilities		
Trade and other payables	**8,214**	**8,214**
Gross settled derivatives		

	Less than 12 months	Total
	£'000	£'000
At 31 December 2021		
Non-derivative financial liabilities		
Trade and other payables	4,303	4,303
Provisions	-	-

Credit risk

The Company's maximum exposure to credit risk on trade receivables is the carrying amounts as disclosed in note 10.

15. Share capital

	2022 Number	2022 £'000	2021 Number	2021 £'000
Authorised, called-up and fully paid				
Ordinary shares of £0.01 each				
Beginning of year	**5,001,055**	**50**	5,001,055	50
End of year	**5,001,055**	**50**	5,001,055	50

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

Share option and contingent share award schemes

The Sky Group operates various equity-settled share option schemes (the "Schemes") for certain employees, using shares in the Company's ultimate parent company, previously Sky Limited and now Comcast Corporation. After the acquisition of the Sky Group by Comcast Corporation on 9 October 2018, the previous share schemes operated by Sky were settled. New awards were granted under the Restricted Stock Units schemes operated by Comcast Corporation.

The awards outstanding can be summarised as follows:

Scheme	2022 Number of ordinary shares	2021 Number of ordinary shares
Sharesave[(i)]	**162,351**	161,097
	162,351	161,097

(i) Sharesave Scheme options

All Sharesave Scheme options outstanding at 31 December 2022 and 31 December 2021 have no performance criteria attached, other than the requirement that the employee remains in employment with Sky. Options granted under the Sharesave Scheme are to be exercised within six months of the relevant award vesting date.

The Sharesave Scheme is open to all employees. Options are normally exercisable after either three or five years from the date of grant. The price at which options are offered is not less than 80% of the middle-market price on the dealing day immediately preceding the date of invitation.

15. Share capital (continued)

Share option and contingent share award schemes (continued)

The movement in share awards outstanding is summarised in the following table:

	Sharesave Scheme	
	Number of shares under option	Weighted average exercise price
	Number	£
Outstanding at 1 January 2021	134,459	27.29
Granted during the year	27,348	33.31
Forfeited during the year	(710)	27.27
Outstanding at 31 December 2021	161,097	28.31
Granted during the year	**83,914**	**33.31**
Forfeited during the year	**(82,660)**	**27.27**
Outstanding at 31 December 2022	**162,351**	**28.31**

The weighted average market price of Comcast's shares at the date RSU awards vested during the year was £23.53 (2021: £28.31).

The following table summarises information about share awards outstanding at 31 December 2022 and 31 December 2021:

	Sharesave Scheme	
	2022	2022 Weighted average remaining contractual life
Range of Exercise Prices	Number	years
£23.00 - £24.00	**162,351**	**2.00**
	162,351	**2.00**

The following table summarises information about share awards outstanding at 31 December 2022 and 31 December 2021 (continued):

	Sharesave Scheme	
	2021	2021 Weighted average remaining contractual life
Range of Exercise Prices	Number	years
£27.00 - £28.00	161,097	2.00
	161,097	2.00

The exercise prices of options outstanding at 31 December 2022 is £23.53 (2021: £28.31).

At 31 December 2022 and 31 December 2021 none of the outstanding Sharesave awards were exercisable. On vesting, RSUs are automatically assigned to the employee.

15. Share capital (continued)

Share option and contingent share award schemes (continued)

Weighted average fair value assumptions

Sharesave scheme

The weighted average fair value of equity-settled share awards granted during the year under the Sharesave Scheme, as estimated at the date of grant, was £8.03 (2021: £7.69). This was calculated using the Black-Scholes share option pricing model.

The following weighted average assumptions were used in calculating these fair values:

	2022	2021
Share price	**£27.44**	£37.40
Exercise price	**£21.60**	£33.31
Expected volatility	**30.6%**	25.9%
Expected life	**3.4 years**	3.5 years
Expected dividend	**3.5%**	2.1%
Risk-free interest rate	**4.1%**	0.2%

16. Shareholders' equity

	2022 £'000	2021 £'000
Share capital	**50**	50
Share premium	**1,040**	1,040
Retained earnings	**27,215**	23,286
	28,305	24,376

After the share issue the resulting share premium was cancelled into Retained earnings.

17. Ultimate parent undertaking

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

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

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