SKY RETAIL STORES LIMITED

Annual report and financial statements
For the year ended 31 December 2020

Registered number: 03990450

Directors and Officers

For the year ended 31 December 2020

Directors

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

C Smith

T C Richards

S Robson (appointed 30 September 2020)

Company Secretary

Sky Corporate Secretary Limited

Registered office

Grant Way

Isleworth

Middlesex

United Kingdom

TW7 5QD

Auditor

Deloitte LLP

Statutory Auditor

London

United Kingdom

Strategic and Directors' Report

Strategic Report

The Directors present their Strategic and Directors' report on the affairs of the Company, together with the audited financial statements and Auditor's Report for the year ended 31 December 2020 with comparatives for the 18 months to 31 December 2019.

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

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.

The Company has adopted IFRS 16 'Leases' from 1 January 2020, which has not had a significant impact on the Company's financial performance or position on transition or during the year. Except for the first-time application of IFRS 16, 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 period ended 31 December 2019.

Financial Review and Dividends

The audited financial statements for the year ended 31 December 2020 are set out on pages 13 to 31.

The profit before tax for the year was £3,741,000 (2019: £5,188,000). Revenue has decreased to £41,152,000 (2019: £57,065,000) and operating expenses have decreased to £37,411,000 (2019: £51,877,000). The Company's performance is predominantly due to the 12 month period being reported for 2020 as compared to 18 months in 2019. The Company uses a cost-plus revenue model, in which costs are recharged to Sky UK Limited.

The balance sheet shows that the Company's shareholder's equity position at the year-end was £21,989,000 (2019: £18,983,000). The Directors do not recommend the payment of a dividend for the year ended 31 December 2020 (2019: £nil).

Key performance indicators (KPIs)

The Sky Group ("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.

Principal risks and uncertainties

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 cash flow risk, price risk, interest rate risk or foreign exchange.

Credit risk

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. 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 year.

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 an undrawn £3 billion revolving credit facility with Comcast Corporation which is due to expire on 11 January 2024. The Company benefits from this liquidity through intra-group facilities and loans.

Legislation and Regulation risk

U.K. Exit from the European Union

The telecommunications and media regulatory framework applicable to Sky's business in the United Kingdom may be subject to greater uncertainty as a result of the UK's withdrawal from the European Union and the end of the transition period on 31 December 2020, with the possibility of greater divergence between the regulation of Sky's UK business and that of its other European businesses over time. The Directors are not able to predict the extent of any such divergence at this point in time.

Impact of COVID-19

The novel coronavirus disease 2019 ("COVID-19") and measures taken to prevent its spread across the globe have impacted the business of the Sky Group in a number of ways.

COVID-19 has had material negative impacts on the Sky Group's results of operations primarily due to the impacts of professional sports. We expect the effects of the COVID-19 pandemic will continue to adversely impact our results of operations over the near to medium term, although the extent of such impact will depend on restrictive governmental measures, global economic conditions, expanded availability and acceptance of vaccines and consumer behaviour in response to COVID-19. The most significant effects of COVID-19 began in the latter part of the first quarter of 2020.

Direct-to-consumer revenue has been negatively impacted, and future periods may be negatively impacted, as a result of lower sports subscription revenue due to the closures and extent of reopening of our commercial customers' locations. In addition, delays to the start of the 2020-2021 seasons for certain sports, including European football, resulted in the shift of additional events and the significant costs associated with broadcasting these programmes into the first and second quarters of 2021 compared to a normal year. We expect the timing of sports seasons to generally return to a normal calendar beginning in the third quarter of 2021.

Given the nature of the Company's operations, other than the impacts on the Sky Group as a whole set out above, there are no significant direct impacts on the Company of COVID-19.

Streamlined Energy and Carbon Reporting

We have been reporting our carbon footprint since 2005/06, which now includes our businesses in the UK, Republic of Ireland, Portugal, Germany, Austria and Switzerland, and Italy. In February 2020, we launched Sky Zero, our commitment to halve our greenhouse gas emissions across our value chain against a 2018 baseline, and become net zero carbon by 2030. Sky has been a CarbonNeutral® company since 2006, and we have already more than halved our operational emissions since 2012.

Over 2020 many of our sites across Europe remained open for our key worker engineers, journalists and broadcast operations employees. We replaced diesel generator fuel with low carbon HVO at three main sites, introduced 151 Ford Transit PHEV to Sky's commercial fleet, providing a 60% reduction in emissions against their diesel equivalents, and continue to invest in LED lighting. We optimised cooling at our technical sites and introduced automated computing power controls to our data centres, to maximise efficiency and reduce the number of physical devices needed at low demand times. In September 2020 we launched a renewable energy offer to our people to help them reduce their emissions at home.

Further information including a detailed breakdown of our Scopes 1, 2 and 3 emissions, our progress towards net zero carbon by 2030 and historic reporting can be found in our annual impact reports at https://www.skygroup.sky/reports.

	2020		2019 (18 months)	
	UK and Ireland[1]	Sky Group	UK and Ireland[1]	Sky Group
Carbon Intensity				
Revenue (£m)	9,873	14,464	14,649	22,351
Carbon intensity (Total Scopes 1 and 2 (location-based) tCO2e/£m revenue	5.93	6.05	6.81	6.57
Carbon Emissions (tCO2e)				
Scope 1 (Fuel combustion and operation of facilities)	19,758	35,265	34,114	54,238
Scope 2 (market-based purchased energy)	4,983	21,191	11,213	44,689
Total Scope 1 and Scope 2 (market-based purchased energy)[2]	24,741	56,456	45,327	98,928
Scope 2 (location-based purchased energy)	38,820	52,276	65,692	92,712
Total Scope 1 and Scope 2 (location-based purchased energy)[2]	58,579	87,541	99,806	146,951
Total Energy consumption (kWh)	240,674,393	361,617,988	384,385,368	564,758,108

Figures in the above table are reflecting UK and Ireland and Sky Group revenue figures only and therefore will not agree to the revenue reported in these financial statements.

Methodology

We calculate our greenhouse gas emissions in carbon dioxide equivalent (CO2e) 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 Emissions Conversion Factors for Greenhouse Gas Company Reporting (Department for Business, Energy & Industrial Strategy, 2020), IEA emission factors (2020 edition) and the Reliable Disclosure (RE-DISS) European Residual Mixes 2019. (1) UK & Ireland includes Sky's Joint Ventures, small international offices and news bureaux and business activities in Portugal. (2) 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 (GOs) and Renewable Energy Guarantee of Origin (REGOs). 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. Our carbon emissions data and carbon intensity are subject to an annual independent assurance review, the results of which are published alongside our annual impact report. The 2020 carbon emissions data and carbon intensity have been independently assured by ERM CVS.

Streamlined Energy and Carbon Reporting (continued)

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

S172 Statement

Under section 172(1) of the Companies Act 2006 ("Section 172"), 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.
- The need to act fairly between members of the Company.

The Directors of the Company consider that they have discharged their duties under Section 172, considering the factors listed above in the decisions made during the year ended 31 December 2020.

Due to the range of stakeholders and the size of the Group, stakeholder engagement often takes place at an operational, territory or Group level for Sky Group as well as Comcast, rather than at an individual company level. Decisions made by the Directors consider the Group's strategic goals and follow Comcast's Code of Conduct. Key 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 customers and modern society. At Sky, we know it is crucial to listen to, and empower, employees in order to achieve our vision, which is why we have programmes such as the Sky Forum in the UK and Ireland to empower employees to raise questions, provide feedback and propose suggestions and give senior leaders the opportunity to better understand the needs of their people and make adjustments to Sky's policies and action plans. We communicate frequently with our employees, publishing relevant content about matters affecting our business and our people via the company intranet, and have sought feedback from our employees during the COVID-19 pandemic on how we could best support them.

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 through to career development and progression) are based on the individual's qualifications, ability, performance, skills and potential. 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 Group continues and that appropriate adjustments are considered and support provided, in line with our reasonable adjustment policy. In the event that a disabled employee is unable to continue in their current role after considering the adjustments available, we have a redeployment policy and process to provide support to help the employee secure an alternative role. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be equal to that of other employees.

Our Partners

As a part of the Comcast Group, we understand the need to foster relationships with suppliers and customers. We seek to build long-term relationships with them 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. We interact honestly and with integrity in the marketplace and expect our business partners to do the same. The Group considers these relationships and the feedback received from engagement with our partners in their decision-making process.

Our Communities

As a part of the Comcast Group, a global media and technology company, we are committed to using 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 open possibilities – so 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 & Inclusion.* Creating a more diverse and equitable company and society.
- *Environment.* Shaping a more sustainable future by improving our environmental impact.
- *Values & Integrity.* Fostering a company culture built on integrity and respect. Our values and principles guide everything we do.

Members

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

Approved by the Board and signed on its behalf,

S Robson
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

28 July 2021

Directors' Report

The Directors who served during the year are shown on page 1. No dividend was proposed for the year ended 31 December 2020 (2019: £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 Director's 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. 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 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.

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 28 July 2021.

Approved by the Board and signed on their behalf by:

S Robson
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

28 July 2021

Statement of Director's 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 year. Under that law the directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that 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 Company'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 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, 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB.

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

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

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

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

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

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 and internal audit about their own identification and assessment of the risks of irregularities.

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 specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in revenue recognition, and we varied the nature, timing and extent of our procedures to address this risk, including procedures specifically designed to address the risk of fraud.

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;

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

- enquiring of management, internal audit and in-house 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, and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

Jon Young FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
28 July 2021

Income Statement

For the year ended 31 December 2020

	Notes	**12 months to 31 December 2020 £'000**	18 months to 31 December 2019 £'000
Revenue	2	**41,152**	57,065
Operating expense	3	**(37,411)**	(51,877)
Operating profit		**3,741**	5,188
Profit before tax	4	**3,741**	5,188
Tax	6	**(735)**	(102)
Profit for the year attributable to equity shareholders		**3,006**	5,086

From 1 January 2020, the Company has applied IFRS 16 'Leases' using a modified retrospective approach, recognising the cumulative effects of first-time adoption in opening equity at 1 January 2020, where applicable.

As a result, the 2019 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 Income Statement.

For the year ended 31 December 2020 and the 18 month period to 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 2020

	Notes	31 December 2020 £'000	31 December 2019 £'000
Non-current assets			
Property, plant and equipment	7	**7**	35
Deferred tax	8	**218**	233
Total non-current assets		**225**	268
Current assets			
Trade and other receivables	9	**26,066**	21,775
Total current assets		**26,066**	21,775
Total assets		**26,291**	22,043
Current liabilities			
Trade and other payables	10	**4,029**	3,060
Provisions	11	**273**	-
Total current liabilities		**4,302**	3,060
Net assets		**21,989**	18,983
Share capital	14	**50**	50
Share premium	15	**1,040**	1,040
Reserves	15	**20,899**	17,893
Total equity attributable to equity shareholders		**21,989**	18,983
Total liabilities and shareholders' equity		**26,291**	22,043

From 1 January 2020, the Company has applied IFRS 16 'Leases' using a modified retrospective approach, recognising the cumulative effects of first-time adoption in opening equity at 1 January 2020, where applicable.

As a result, the 2019 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 2020 and 31 December 2019, 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 Retail Stores Limited, registered number 03990450 were approved and authorised for issue by the Board of Directors on 28 July 2021 and were signed on its behalf by:

S Robson
Director
28 July 2021

Statement of Changes in Equity

For the year ended 31 December 2020

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total shareholders' equity £'000
At 1 July 2018	**50**	**1,040**	**12,807**	**13,897**
Profit for the period	-	-	5,086	5,086
At 31 December 2019	**50**	**1,040**	**17,893**	**18,983**
Profit for the year	-	-	3,006	3,006
At 31 December 2020	**50**	**1,040**	**20,899**	**21,989**

From 1 January 2020, the Company has applied IFRS 16 'Leases' using a modified retrospective approach, recognising the cumulative effects of first-time adoption in opening equity at 1 January 2020, where applicable.

As a result, the 2019 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.

For a description of the nature and purpose of each equity reserve, see note 15.

Notes to the financial statements

1. Accounting policies

Sky Retail Stores 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, United Kingdom, TW7 5QD and registered number is 03990450. The Company's principal activities are set out in the Directors' report.

a) Statement of compliance

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

b) Basis of preparation

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

The Company has adopted the new accounting pronouncements which became effective for this year. The Company has adopted IFRS 16 'Leases' from 1 January 2020 – see below.

i) IFRS 16 – 'Leases'

On 1 January 2020, the Company adopted the new IFRS 16 Leases accounting standard. 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. No adjustment has been identified on transition to IFRS 16, or recognised during the year. Except for the first-time application of IFRS 16, no other new accounting pronouncements had a significant impact on the Company's results or financial position.

c) 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.

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are treated as PPE.

Notes to the financial statements

1. Accounting policies (continued)

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

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:

Freehold buildings	25 to 40 years
Equipment, furniture and fixtures	3 to 20 years
Set-top boxes and broadband routers	5 to 7 years
Assets under finance leases and leasehold improvements	Lesser of lease term and the useful economic life of the asset

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year 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 recognised on the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the financial asset or liability. Financial assets are derecognised from the Balance Sheet when the Company's contractual rights to the cash flows expire or the Company transfers substantially all the risks and rewards of the financial asset. Financial liabilities are derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged, cancelled or expires.

i. Trade and other receivables

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

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

ii. Trade and other payables

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

Notes to the financial statements

1. 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 j) 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.

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 over time as the services are performed.

h) Employee benefits

Wages, salaries and social security contributions

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

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.

1. Accounting policies (continued)

h) Employee benefits (continued)

Wages, salaries and social security contributions (continued)

The Company issues equity-settled share-based payments to certain employees, using shares of its ultimate parent undertaking, 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 period 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, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also included within equity.

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

Notes to the financial statements

1. Accounting policies (continued)

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

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

- Interest Rate Benchmark Reform (Phase 2) - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (effective 1 January 2021);
- Annual Improvements to IFRS Standards 2018 - 2020 - Amendments to IFRS 1, IFRS 9 and IFRS 16 (effective 1 January 2022);
- Conceptual Framework - Amendments to IFRS 3 'Business Combinations' (effective 1 January 2022);
- Proceeds before Intended Use - Amendments to IAS 16 'Property, Plant and Equipment' (effective 1 January 2022);
- Onerous Contracts - Cost of Fulfilling a Contract - Amendment to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' (effective 1 January 2022);
- Classification of Liabilities as Current or Non-current - Amendment to IAS 1 'Presentation of Financial Statements' (effective 1 January 2023); and
- Implementation issues - Amendments to IFRS 17 'Insurance Contracts' (effective 1 January 2023).

k) 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 Company's accounting policies also requires the use of estimates and assumptions that affect the Company'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.

(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.

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 year which could have a material impact on the Company's profit and loss and/or cash position.

1. Accounting policies (continued)

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

(i) Taxation, including deferred taxation (see note 6) (continued)

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) Property, plant and equipment (see note 7)

The assessment of the useful economic lives of these assets requires judgement. Depreciation and amortisation is charged to the Income Statement based on the useful economic life selected, which requires an estimation of the year and profile over which the Company expects to consume the future economic benefits embodied in the assets. The Company reviews its useful economic lives on at least an annual basis.

Determining whether the carrying amount of these assets has any indication of impairment also requires judgement. If an indication of impairment is identified, further judgement is required to assess whether the carrying amount can be supported by, for example, the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate, where applicable.

Assessing whether assets meet the required criteria for initial capitalisation requires judgement. This requires a determination of whether the assets will result in future benefits to the Company. In particular, internally generated intangible assets must be assessed during the development phase to identify whether the Company has the ability and intention to complete the development successfully.

Determining the costs of assets to be capitalised requires judgement. Specifically, judgement and estimation is required in determining the amount of duties and non-refundable taxes, probable trade discounts and rebates, and directly attributable costs to bring 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 to the customer's premises) to be allocated to the asset.

Key sources of estimation uncertainty

No key sources of estimation uncertainty impacting the Company have been identified. To the extent that estimates and treatments reflect judgement, has been discussed above in the preceding section.

2. Revenue

	2020	2019
	£'000	£'000
Other operating revenue	**41,152**	57,065
	41,152	57,065

Revenue arises from goods and services provided to the UK.

There transaction price allocated to (partially) unsatisfied performance obligations at 31 December 2020 are nil.

3. Operating expense

	2020	2019
	£'000	£'000
Sales, general and administration	**37,411**	51,877
	37,411	51,877

4. Profit before tax

Profit before tax is stated after charging:	**2020**	2019
	£'000	£'000
Depreciation and impairment of property, plant and equipment	**13**	23
Loss on disposal of property, plant and equipment	**15**	-

Audit fees

Amounts paid to the auditor for the audit of the Company's annual financial statements of £25,000 (2019: £25,000) were borne by another Group subsidiary in 2020 and 2019. No amounts for other services have been paid to the auditor.

5. Employee benefits and key management compensation

a) Company employee benefits	**2020**	2019
	£'000	£'000
Wages and salaries	**29,619**	42,266
Social security costs	**3,394**	5,151
Redundancy costs	**2,120**	1,923
Costs of employee share option schemes (i)	**272**	-
Contributions to the Sky Pension Plan (ii)	**1,432**	1,694
	36,837	51,034

(i) The expense recognised for employee share option schemes relates wholly to equity-settled share-based payments.

(ii) The Company operates a defined contribution pension scheme (the "Pension Plan"). The pension charge for the period represents the cost of contributions payable by the Company to the schemes during the year. The amount payable to the schemes at 31 December 2020 was £nil (2019: £nil).

Notes to the financial statements

5. Employee benefits and key management compensation (continued)

a) Company employee benefits (continued)

The average monthly number of full-time equivalent persons (including temporary employees) employed by the Company during the year/period was as follows:

	2020 Number	2019 Number
Customer service, sales and marketing	**781**	774
	781	774

There are no (2019: none) temporary staff included within the average number of full-time equivalent persons employed by the Company.

b) Key management compensation

The Directors did not receive any remuneration during the year (2019: £nil) in respect of their services to the Company.

6. Tax

a) Tax recognised in the Income statement

	2020 £'000	2019 £'000
Current tax expense (credit)		
Current period	**720**	-
Total current tax charge (credit)	**720**	-
Deferred tax expense		
Origination and reversal of temporary differences	**42**	137
Adjustment in respect of prior years	**-**	(20)
Adjustment in respect of change in tax rates	**(27)**	(15)
Total deferred tax charge	**15**	102
Tax charge	**735**	102

6. Tax (continued)

b) Reconciliation of effective tax rate

The tax expense for the period is higher (2019: lower) than the expenses that would have been charged using the rate of corporation tax in the UK of 19.0% (2019: 19.0%) applied to profit before tax. The differences are explained below:

	2020	2019
	£'000	£'000
Profit before tax	**3,741**	5,188
Profit before tax multiplied by rate of corporation tax in the UK of 19.0% (2019: 19.0%)	**711**	986
Effects of:		
Change in corporation tax rate	**(27)**	(15)
Group relief (claimed) for £nil consideration	**-**	(849)
Other permanent differences	**51**	-
Adjustment in respect of prior years	**-**	(20)
Tax	**735**	102

All tax relates to UK corporation tax.

7. Property, plant and equipment

	Kiosks	**Office Equipment**	**Total**
	£'000	**£'000**	**£'000**
Cost			
At 1 July 2018	1,986	126	2,112
At 31 December 2019	1,986	126	2,112
Disposals	(780)	(126)	(906)
At 31 December 2020	1,206	-	1,206
Depreciation			
At 1 July 2018	(1,931)	(123)	(2,054)
Depreciation	(21)	(2)	(23)
At 31 December 2019	(1,952)	(125)	(2,077)
Depreciation	(12)	(1)	(13)
Disposals	765	126	891
At 31 December 2019	**(1,199)**	**-**	**(1,199)**
Carrying amounts			
At 1 July 2018	55	3	58
At 31 December 2019	34	1	35
At 31 December 2020	**7**	**-**	**7**

8. Deferred tax

Recognised deferred tax assets

	Accelerated tax depreciation	Short-term temporary differences	Total
	£'000	**£'000**	**£'000**
At 1 January 2019	335	-	335
Adjustment in respect of prior years	(26)	46	20
Charge to income	(85)	(52)	(137)
Effect of change in tax rate	9	6	15
At 31 December 2019	233	-	233
Charge to income	**(42)**	**-**	**(42)**
Effect of change in tax rate	**27**	**-**	**27**
At 31 December 2020	**218**	**-**	**218**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which they reverse. The rate enacted for the relevant periods of reversal is 19% (2019: 17%). On 3 March 2021 the Chancellor announced that the government will legislate to increase the corporation tax rate to 25% from 1 April 2023. This change has not been enacted or substantively enacted at the Statement of Financial Position date and is not therefore reflected in these financial statements. The impact of the rate change on the deferred tax balance is expected to be in the region of £68k.

9. Trade and other receivables

	2020	2019
	£'000	£'000
Amounts receivable from parent company[a]	**26,041**	21,735
Amounts receivable from other Group companies[b]	**25**	25
Amounts receivable from joint ventures and associates	**-**	15
Current trade and other receivables	**26,066**	21,775
Total trade and other receivables	**26,066**	21,775

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

a) Amounts receivable from the parent company

Amounts due from the parent company totalling £26,041,000 (2019: £21,735,000) represent trade receivables; they are non-interest bearing and are repayable on demand.

Notes to the financial statements

9. Trade and other receivables (continued)

b) Amounts receivable from other Group companies

Amounts due from other Group companies totalling £25,000 (2019: £25,000) represent trade receivables; they are non-interest bearing and are repayable on demand.

10. Trade and other payables

	2020	2019
	£'000	£'000
Trade payables	**77**	21
Amounts payable to other Group companies[a]	**1,103**	721
Amounts payable to parent company[b]	**978**	-
Accruals	**1,871**	2,318
	4,029	3,060

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

a) Amounts payable to other Group companies

Amounts due to other Group companies totalling £1,103,000 (2019: £721,000) represent trade payables; they are non-interest bearing and are repayable on demand.

b) Amounts payable to the parent company

Amounts due to the parent company totalling £978,000 (2019: £nil) represent trade payables; they are non-interest bearing and are repayable on demand.

11. Provisions

	At 1 July 2018 £'000	Provided during the period £'000	Utilised during the period £'000	At 31 December 2019 £'000	**Provided during the year £'000**	**Utilised during the year £'000**	**At 31 December 2020 £'000**
Current liabilities							
Retail store closures (i)	271	-	(271)	-	**-**	**-**	**-**
Restructuring provision (ii)	-	-	-	-	**1,898**	**(1,625)**	**273**
	271	-	(271)	-	**1,898**	**(1,625)**	**273**

(i) The Company no longer holds a provision for costs in relation to the closure of 62 retail sales outlets in 2017. The remaining provision as at 30 June 2018 was released during 2019 as it was concluded that there were no further costs to be incurred in this regard.

(ii) The restructuring provision relates to amounts provided for corporate restructuring and efficiency programmes.

Notes to the financial statements

12. Financial instruments

Carrying value and fair value

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

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

	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total carrying value	Total fair values
	£'000	£'000	£'000	£'000
At 31 December 2020				
Trade and other payables	**-**	**(4,029)**	**(4,029)**	**(4,029)**
Trade and other receivables	**26,066**	**-**	**26,066**	**26,066**
At 31 December 2019				
Trade and other payables	-	(3,060)	(3,060)	(3,060)
Trade and other receivables	21,775	-	21,775	21,775

13. 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 Comcast Audit Committee and Board of Directors, which receive regular updates of Treasury activity. Derivative instruments are transacted for risk management purposes only. It is the Group's policy that all hedging is to cover known risks and no speculative trading is undertaken. Regular and frequent reporting to management is required for all transactions and exposures, and the internal control environment is subject to periodic review by the Comcast Group's internal audit team.

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 the Comcast Audit Committee and Board of Directors.

Credit risk

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

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 year at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. The amounts disclosed may not reconcile to the amounts disclosed on the balance sheet for borrowings, derivative financial instruments, provisions and trade and other payables.

13. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	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 2020				
Non-derivative financial liabilities				
Trade and other payables	**4,029**	**-**	**-**	**-**
Provisions	**273**	**-**	**-**	**-**
At 31 December 2019				
Non-derivative financial liabilities				
Trade and other payables	3,060	-	-	-
Provisions	-	-	-	-

14. Share capital

	2020 £'000	2019 £'000
Authorised, allotted, called-up and fully paid		
5,001,055 (2019: 5,001,055) ordinary shares of £0.01 (2019: £0.01) each	**50**	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 Company operates various equity-settled share option schemes (the "Schemes") for certain employees. Awards are granted under the Restricted Stock Units schemes operated by Comcast Corporation.

The awards outstanding can be summarised as follows:

Scheme	**2020 Number of ordinary shares**	2019 Number of ordinary shares
Sharesave[i]	**134,459**	114,370
	134,459	114,370

Notes to the financial statements

14. Share capital (continued)

Share option and contingent share award schemes (continued)

(i) Sharesave Scheme options

All Sharesave Scheme options outstanding at 31 December 2020 and 31 December 2019 have no performance criteria attached, other than the requirement that the employee remains in employment with Sky. Options granted under the Sharesave Scheme must 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.

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 July 2018	-	-
Granted during the period	114,370	-
Outstanding at 31 December 2019	114,370	27.26
Granted during the year	**28,538**	**27.39**
Forfeited/cancelled during the year	**(8,449)**	**27.26**
Outstanding at 31 December 2020	**134,459**	**27.29**

The weighted average market price of Comcast Corporation's shares at the date of exercise for share options exercised during the year was £27.29 (2019: £27.26).

The following table summarises information about share awards outstanding at 31 December 2020:

	Sharesave Scheme	
	2020	2020
		Weighted average remaining contractual life
Range of Exercise Prices	Number	Years
£27.00 - £28.00	134,459	2.71
	134,459	**2.71**

The exercise prices of options outstanding at 31 December 2020 is £27.29.

14. Share capital (continued)

Share option and contingent share award schemes (continued)

(i) Sharesave Scheme options (continued)

Weighted average fair value assumptions

(i) 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 £8.15 (2019: £8.47). This was calculated using the Black-Scholes share option pricing model.

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

	2020	2019
Share price	**£33.79**	£33.92
Exercise price	**£27.39**	£27.26
Expected volatility	**25.8%**	22.8%
Expected life	**3.6 years**	3.6 years
Expected dividends	**2.1%**	1.9%
Risk-free interest rate	**0.2%**	1.6%

15. Shareholders' equity

	2020 £'000	2019 £'000
Share capital	**50**	50
Share premium	**1,040**	1,040
Retained earnings	**20,899**	17,893

16. Transactions with related parties

a) Key management

The Company has a related party relationship with the Directors of the Company. At 31 December 2020, there were 3 (2019: 2) members of key management, all of whom were Directors of the Company. Key management compensation is disclosed in note 5.

b) Transactions with parent company

The Group's treasury function is responsible for liquidity management across the Group's operations. It is standard practice for the Company to lend and borrow cash to and from subsidiaries as required.

c) Transactions with other Group companies

The Company conducts business transactions with other Group companies:

	2020 £'000	2019 £'000
Supply of services by the Company	-	28
Purchases of goods / services by the Company	**381**	-

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

Notes to the financial statements

17. 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 parent company and the largest group in which the results of the Company are consolidated is Comcast Corporation , a company incorporated in Pennsylvania, United States.

The Company is ultimately controlled by Comcast Corporation and operates together with Comcast Corporation'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 Corporation.

The consolidated financial statements of the Comcast Group are available to the public and may be obtained from Comcast Investor Relations at Comcast Corporation, One Comcast Center, Philadelphia, PA 19013, USA. Or at: https://www.cmcsa.com.