

DIAGONAL VIEW LIMITED

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

Registered number: 06515277



Directors and Officers

For the year ended 31 December 2022

Directors

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

TC Richards

S Smith

P Wedlock

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 financial statements and Auditor's Report for the year ended 31 December 2022, with comparatives for the year to 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 is a wholly-owned subsidiary of Sky UK Limited (the immediate parent company) and operates alongside with it and its subsidiaries (the "Sky Group" or "Group"). The Company is ultimately controlled by Comcast Corporation ("Comcast") and operates together with Comcast's other subsidiaries as a part of the Comcast Group.

The Company's principal activities are the production and publication of digital media on digital content and social media platforms, the management of third-party digital content channels, and the bespoke production of stand-alone content and commissioned shows. The Directors expect this activity to continue for the foreseeable future.

Financial Review and Dividends

The audited financial statements for the year ended 31 December 2022 are set out on pages 9 to 16. The Directors consider turnover and operating profit to be key performance indicators of the Company. During the year, the Company made a profit before tax of £604,000 (2021: £669,000). Turnover was £687,000 (2021: £959,000) and operating expenses were £85,000 (2021: £233,000) and the profit after tax was (£604,000) (2021: profit £669,000).

The decrease in turnover was due to a decrease in digital advertising revenues and commissioned productions in the year.

During the year the Company issued 1 share for £5,000,000 and consolidated its previous share capital into one class. Subsequently, £5,907,000 of share premium was cancelled into retained earnings.

The Directors do not recommend the payment of a dividend for the year ended 31 December 2022 (2021: £nil). The balance sheet shows that the Company's shareholder's equity position at the year-end was £809,000 (2021: £4,795,000).

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 licenses 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.

Approved by the Board and signed on its behalf,



T C Richards
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

21 September 2023

Strategic and Directors' Report (continued)

Directors' Report for the year ended 31 December 2022

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

Directors

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

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 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 expect that the businesses will continue to generate adequate cash flow from operating activities and believe that these cash flows, together with the Company's existing cash, cash equivalents and investments, and available borrowings under its existing credit facilities, including the £6 billion revolving credit facility with Comcast, will be sufficient for the Company to meet its current and long-term liquidity and capital requirements.

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

The principal risks facing the Company are 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 risk.

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.

Strategic and Directors' Report (continued)

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' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 Diagonal View Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Diagonal View 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 UK GAAP including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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. 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 audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there give rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Auditor's Report (continued)

Independent Auditor's report to the members of Diagonal View 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 framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and 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.

As a result of performing the above, we identified the greatest potential for fraud in the recognition of revenue, specifically the manual adjustments made to revenue. This risk arises due to the potential incentive to overstate revenue through manual adjustments. We performed specific procedures to address this risk through:

- obtaining an understanding of management's process in relation to the revenue recognition;
- understanding the nature of the journals and adjustments that are made to record revenue; and
- testing the revenue transactions and adjustments by tracing them to sufficient and appropriate audit evidence.

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

Auditor's Report (continued)

Independent Auditor's report to the members of Diagonal View Limited (continued)

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

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

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

21 September 2023

Profit and Loss Account

For the year ended 31 December 2022

| | Note | 2022 £'000 | 2021 £'000 |
|--|------|---------------|---------------|
| Turnover | 3 | 687 | 959 |
| Cost of sales | | (85) | (78) |
| Gross profit | | 602 | 881 |
| Administrative expenses | | - | (233) |
| Operating profit | | 602 | 648 |
| Interest receivable and similar income | | 2 | 40 |
| Interest payable and similar expenses | | - | (19) |
| Profit before taxation | | 604 | 669 |
| Tax on profit or loss | 7 | - | - |
| Profit for the financial year | | 604 | 669 |

The accompanying notes are an integral part of this Profit and Loss Account.

For the years ended 31 December 2022 and 31 December 2021, the Company did not have any other items of Comprehensive Income. Accordingly, no statement of other comprehensive income is presented.

All results relate to continuing operations.

Balance Sheet

As at 31 December 2022

| | Note | 2022 £'000 | 2021 £'000 |
|--|------|---------------|----------------|
| Current assets | | | |
| Cash at bank and in hand | | 970 | 909 |
| | | <u>970</u> | <u>909</u> |
| Current liabilities | | | |
| Trade and other payables | 8 | (161) | (5,704) |
| Net current assets/(liabilities) | | <u>809</u> | <u>(4,795)</u> |
| Total assets less current liabilities | | <u>809</u> | <u>(4,795)</u> |
| Net assets/(liabilities) | | <u>809</u> | <u>(4,795)</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | - | - |
| Share premium account | | 1 | 908 |
| Profit and loss account | | <u>808</u> | <u>(5,703)</u> |
| Shareholders' funds/(Deficit) | | <u>809</u> | <u>(4,795)</u> |

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

The financial statements of Diagonal View Limited, registered number 06515277 were approved and authorised for issue 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

| | Notes | Called up Share capital £'000 | Share premium £'000 | Retained earnings £'000 | Total shareholder's equity £'000 |
|--|-------|-------------------------------------|---------------------------|-------------------------------|---|
| At 1 January 2021 | | - | 908 | (6,372) | (5,464) |
| Profit for the year | | - | - | 669 | 669 |
| Total comprehensive income for the year | | - | - | 669 | 669 |
| At 31 December 2021 | | - | 908 | (5,703) | (4,795) |
| Profit for the year | | - | - | 604 | 604 |
| Total comprehensive income for the year | | - | - | 604 | 604 |
| Issue of share capital | | - | 5,000 | - | 5,000 |
| Reduction of share capital | | - | (5,907) | 5,907 | - |
| At 31 December 2022 | | - | 1 | 808 | 809 |

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

Notes to the financial statements

1. Company information

The Diagonal View Limited ("the Company") is a private company limited by shares, incorporated in the United Kingdom, and registered in England and Wales under Companies Act 2006. The address of the registered office is Grant Way, Isleworth, Middlesex, TW7 5QD, United Kingdom and registered number is 06515277. The nature of the Company's operations and its principal activities are set out in the Strategic report and Directors' 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 individual financial statements of Diagonal View Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102. The financial statements have been prepared in accordance with Financial Reporting Standard 102 issued by the Financial Reporting Council, and the Companies Act 2006.

b) Basis of preparation

The financial statements have been prepared using the going concern basis and on a historical cost basis.

The financial statements have been prepared on an historical cost basis and in accordance with Financial Reporting Standard 102 issued by the Financial Reporting Council. The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel. Where relevant, equivalent disclosures have been given in the group financial statements of Comcast. The group financial statements of Comcast are available to the public and can be obtained as set out in note 10.

The principal accounting policies adopted are set out below.

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

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

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

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

c) Financial instruments

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.

i. Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank accounts, deposits receivable on demand and deposits with maturity dates of three months or less from the date of inception. Bank overdrafts that are repayable on demand and which form an integral part of the Company's cash management are also included as a component of cash and cash equivalents. Cash is recognised on an accruals basis, in line with when financial transfers of cash are initiated.

ii. Creditors (see note 8)

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

d) Turnover

Turnover represents amounts receivable for advertising revenue, channel management fees and production services net of VAT.

Turnover from advertising is recognised in the month the revenue occurred, with actuals trued-up in the month after the revenue occurred.

Turnover from a production commissioned or contracted by broadcasters is recognised as turnover in proportion to the stage of completion of the production at the relevant date. The stage of completion of a production is determined based on the proportion of costs incurred for work performed to date to total expected production costs.

Distribution turnover from programmes or formats distributed by third parties and other ancillary turnover is recognised once the Company has been notified of the sums due to it. Non-refundable advance payments received from third parties are recognised as turnover on execution of a contract. Any fees received in advance, which do not meet all the above criteria, are included in deferred income until the above criteria are met.

e) Tax, including deferred tax

UK corporation tax is provided at current amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which carried forward tax losses can be offset and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

f) Foreign currencies

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

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

g) Critical judgements and estimates

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

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 accounting policies section above.

3. Turnover

An analysis of the Company's turnover is as follows:

| | 2022 £'000 | 2021 £'000 |
|------------------------------|---------------|---------------|
| Continuing operations | | |
| Advertising revenue | 687 | 959 |
| Total turnover | 687 | 959 |

Turnover arises from services provided in the United Kingdom.

The whole of the company's turnover is attributable to its principal activity.

4. Profit before tax

Profit on ordinary activities before taxation has been arrived at after charging / (crediting):

| | 2022 £'000 | 2021 £'000 |
|---------------------------------------|---------------|---------------|
| Net foreign exchange (gains) / losses | (27) | (40) |
| Interest payable to parent | 25 | - |

5. Auditor's remuneration

Amounts paid to the auditor for the audit of the Company's annual financial statements of £21,120 (2021: £25,000) were borne by another Group subsidiary in 2022 and 2021. No amounts for other services have been paid to the auditor.

6. Staff costs

The Company had no employees during the current or prior year with all administrative task undertaken by employees of fellow Group undertakings.

The Directors did not receive any remuneration during the year (2021: £nil) in respect of their services to the Company.

Notes to the financial statements (continued)

7. Tax on profit on ordinary activities

| | 2022 | 2021 |
|--|-------|-------|
| | £'000 | £'000 |
| The tax charge comprises: | | |
| Corporation tax on profit on ordinary activities: | | |
| UK Corporation tax | - | - |
| Total current tax | - | - |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 3 | 75 |
| Adjustment in respect of change in tax rates | 1 | (126) |
| Deferred tax not recognised | (4) | 51 |
| Total deferred tax | - | - |
| Total tax on profit on ordinary activities | - | - |

The tax expense for the year is lower than (2021: lower than) the expense that would have been charged using the rate of corporation tax in the UK of 19.0% (2021: 19.0%) applied to profit before tax. The differences are explained below:

| | 2022 | 2021 |
|--|-------|-------|
| | £'000 | £'000 |
| Profit on ordinary activities before tax | 604 | 669 |
| Tax at the UK corporation tax rate of 19.0% (2021: 19.0%) | 115 | 127 |
| Tax effect of expenses that are not deductible in determining taxable profit | (93) | (90) |
| Group relief (claimed)/surrendered for £nil consideration | (19) | 38 |
| Deferred tax not recognised | (4) | 51 |
| Adjustment in respect of change in tax rates | 1 | (126) |
| Total tax charge for the year | - | - |

All current taxation in the current year relates to UK corporation tax.

At 31 December 2022 there was an unrecognised deferred tax asset of £522,000 (2021: £526,000) relating to trading losses and fixed asset temporary differences.

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)

8. Trade and other payables

| | 2022 | 2021 |
|---------------------------------------|--------------|----------------|
| | £'000 | £'000 |
| Current liabilities | | |
| Amounts payable to the parent company | (149) | (5,691) |
| Amounts owed to group undertakings | - | (1) |
| VAT | (12) | (12) |
| | (161) | (5,704) |

Non-current liabilities

Amounts payable to the parent Company

There are amounts payable to the parent company totalling £149,000 (2021: £5,691,000) which are non-interest bearing and are repayable on demand.

9. Share capital

| | 2022 | 2021 |
|---|------------|------------|
| | £ | £ |
| Authorised, allotted, called-up and fully paid | | |
| 35,800 (2021: 35,325) Ordinary shares of £0.01 each | 359 | 353 |
| Nil (2021: 482) Ordinary Non-voting shares of £nil each | - | 5 |
| Nil (2021: 665) Ordinary A Non-voting shares of £nil each | - | 1 |
| | 359 | 359 |

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

During the year the Company issued 1 share for £5,000,000 and consolidated its previous share capital into one class. Subsequently, £5,907,000 of share premium was cancelled into retained earnings.

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

10. 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 office). Or at: <https://www.cmcsa.com/investors>.