Sky SNA Limited

Annual report and financial statements
For the year ended 31 December 2021

Registered number: 07418281

Directors and Officers

For the year ended 31 December 2021

Directors

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

C Smith	(resigned 30 November 2021)
T C Richards	
S Robson	
P Wedlock	(appointed 25 November 2021)

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 2021, with comparatives for the year ended 31 December 2020.

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 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 SNI Limited (the immediate parent company). 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 purpose of the Company is to invest in the joint venture as detailed below.

The Company was incorporated on 25 October 2010. On 29 November 2010, the Company entered into a joint venture agreement with Abu Dhabi Media Investment Corp Limited ("ADMIC") to invest in Sky News Arabia FZ-LLC ("the Venture"). The business of the Venture is the establishment of a 24 hour Arabic language news channel which, since its 2010 incorporation, is broadcast in the Middle East region in line with the business plan.

On formation of the Venture, the Company subscribed for 4,171,571 US$1 shares, representing 50% of the issued share capital of the Venture. The remaining 50% of share capital is owned by ADMIC. Both the Company and ADMIC ("the Venturers") maintain rights over any distribution made by the Venture in proportion to their respective shareholdings. As at 31 December 2021 the Company's total shareholding was 112,816,666 shares (2020: 102,816,666).

The investment in the Venture was impaired to £nil during the year for accounting purposes due to the lack of visibility of future profits. As a result of the impairment, the investment is carried at £nil on the Balance Sheet at 31 December 2021 (2020: £nil). The current year impairment was offset by the utilisation of a provision booked in the prior period to recognise future contractual funding commitments to the Venture.

The audited financial statements for the year ended 31 December 2021 are set out on pages 10 to 19. The Company made a loss for the year of £30,000 (2020: £212,000 profit). Results in both the current-year and prior-year arose as a result of a foreign exchange difference for the utilisation of the onerous contract provision. The Balance Sheet shows that the Company's shareholder's deficit position at the end of the year was £84,743,000 (2020: £84,713,000), with the change in financial position being driven by the impairment of the investment in the Venture, offset by the reduction in the onerous contract provision. The Directors do not recommend the payment of a final dividend (2020: £nil).

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

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 liquidity risk.

The Company is also exposed to risk through the performance of its investments. The Company is not exposed to interest rate risk, credit risk, foreign exchange risk or price risk.

Financial risk management objectives and policies

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

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.

Impacts of COVID-19

COVID-19 and measures taken to prevent its spread across the globe have impacted the Company's businesses in a number of ways, affecting the comparability of periods included in this report. The Directors expect the effects of the COVID-19 pandemic will continue to adversely impact results of operations over the near to medium term, although the extent of such impact will depend on restrictive governmental measures, global economic conditions and consumer behaviour.

Approved by the Board and signed on its behalf by

T C Richards
Director

Grant Way
Isleworth
Middlesex
United Kingdom
Sky UK Limited
TW7 5QD

Date:7 September 2022

Strategic and Directors' Report (continued)

Directors' Report

The Directors present their annual report, together with the financial statements and auditor's report. The Directors who served during the year are shown on page 2.

The Directors do not recommend the payment of a final dividend in the current year (2020: £nil).

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

Going concern

The Company's business activities together with the factors likely to affect its future development and performance are set out in the Business Review. The Strategic Report details the financial position of the Company, as well as the Company's objectives and policies, and details of its key exposures to 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 £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 is in a net liability position. However, 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 they ought to have taken as a Director to make themselves 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 7 September 2022.

Approved by the Board and signed on their behalf by:

T C Richards
Director

Grant Way
Isleworth
Middlesex
United Kingdom
Sky UK Limited
TW7 5QD

7 September 2022

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards 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 year.

In preparing the financial statements, the directors are required to:

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

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

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

Auditor's Report

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards 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 10.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom adopted international accounting standards 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.

Auditor's Report (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: http://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 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 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 Privacy and Electronic Communications Regulations 2003, the Communications Act 2003, the Broadcasting Act 1990, 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 assessment of the onerous provision in relation to Sky News Arabia. We performed specific procedures to address this risk including:

- obtaining an understanding of management's process and control environment in relation to the the calculation of the onerous provision;
- tracing the inputs of the provision calculation to the contractual joint venture agreement and recalculating the provision recorded; and
- inspecting the Sky News Arabia contracts and searching for potential changes that could impact the provision calculation.

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report 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
7 September 2022

Income statement

For the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Provision for onerous contract		**(30)**	212
Operating (loss)/profit		**(30)**	212
(Loss)/profit before tax	3	**(30)**	212
Tax	4	**-**	-
(Loss)/profit for the year attributable to equity shareholder		**(30)**	212

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

For the year ended 31 December 2021 and 31 December 2020, the Company did not have any other items of Comprehensive Income. Accordingly, no separate Statement of Comprehensive Income is presented.

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

Balance Sheet

As at 31 December 2021

	Notes	31 December 2021 £'000	31 December 2020 £'000
Non-current assets			
Investments in joint ventures and associates	2	-	-
Total non-current assets		-	-
Total assets		-	-
Current liabilities			
Trade and other payables	5	**79,496**	72,198
Provisions	6	**3,032**	7,316
Total current liabilities		**82,528**	79,514
Non-current liabilities			
Provisions	6	**2,215**	5,199
Total non-current liabilities		**2,215**	5,199
Total liabilities		**84,743**	84,713
Share capital	8	-	-
Reserves		**(84,743)**	(84,713)
Total equity attributable to equity shareholder		**(84,743)**	(84,713)

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

As at 31 December 2021 and 31 December 2020, 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 SNA Limited, registered number 07418281 were approved by the Board of Directors on 7 September 2022 and were signed on its behalf by:

T C Richards
Director

7 September 2022

Statement of Changes in Equity

For the year ended 31 December 2021

	Retained losses £'000	Total shareholder's deficit £'000
At 1 January 2020	(84,925)	(84,925)
Total comprehensive income for the year	212	212
At 31 December 2020	**(84,713)**	**(84,713)**
Total comprehensive loss for the year	(30)	(30)
At 31 December 2021	**(84,743)**	**(84,743)**

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

Notes to the financial statements

1. Company information

Sky SNA Limited (the "Company") is a private limited liability company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Grant Way, Isleworth, Middlesex, United Kingdom, TW7 5QD and registered number is 07418281. 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 using the historic cost convention, as described in the accounting policies below.

Interest Rate Benchmark Reform (Phase 2) - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 16, IFRS 4 was applicable for the first time in 2021. It has no material impact on the financial statements 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, the impact of COVID-19 on the Company's operations and 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 is in a net liability position. However, 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.

c) Financial assets and liabilities

Directly attributable transaction costs are included in the initial measurement of financial assets and liabilities only with respect to those assets and liabilities that are not subsequently measured at fair value through profit and loss. At each balance sheet date, the Company assesses whether there is any objective evidence that any financial asset is impaired.

Financial assets and liabilities are 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.

i. Trade and other payables

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

d) Investment in joint ventures (see note 2)

An investment in a joint venture is recognised at cost less any accumulated impairment. As permitted by section 133 of the Companies Act 2006, where the relief recorded under section 131 of the Companies Act 2006 applies, cost is the aggregate of the nominal value of the relevant number of the Company's shares and the fair value of any other consideration given to acquire the share capital of the venture undertakings.

The Company reviews the carrying amounts of its investment to determine whether there is any indication that the investment has suffered an impairment loss. Investment is £nil (2020: £nil) as a result of a judgement to impair based on lack of visibility of future profits.

1. Company information (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 c) and deferred taxation (see accounting policy g) to determine whether there is any indication that any of those assets have suffered an impairment loss.

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

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

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

f) Provisions

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

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

g) Tax, including deferred tax

The Company's liability for current tax is based on taxable losses 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 loss, are not provided for. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that have been enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and adjusted to reflect an amount that is probable to be realised based on the weight of all available evidence. Deferred tax is calculated at the rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax assets and liabilities are not discounted. Deferred tax is charged or credited in the Income Statement / Statement of Comprehensive Income, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also included within equity.

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

Notes to the financial statements (continued)

1. Company information (continued)

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

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning 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.

- Covid-19 Related Rent Concessions – Amendment to IFRS 16 'Leases' (effective 1 April 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)
- Implementation issues – Amendments to IFRS 17 'Insurance Contracts' (effective 1 January 2023)
- Definition of Accounting Estimates – Amendment to IAS 8 'Accounting policies, changes in accounting estimates and errors' (effective 1 January 2023)
- Disclosure of Accounting Policies – Amendment to IAS 1 'Presentation of Financial Statements' (effective 1 January 2023)

Interest Rate Benchmark Reform (Phase 2) - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 16, IFRS 4 was applicable for the first time in 2021. It has no material impact on the financial statements of the Company.

i) Critical accounting policies and judgements 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 may also require the use of estimation or judgement in a manner which may affect the Company's financial position or results.

Due to the nature of the Company and its activities, there are not considered to be any critical accounting policies.

Key sources of estimation uncertainty

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

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

Areas where estimation or judgement is applied (primarily in the context of applying critical accounting policies) have been discussed in the preceding section above.

2. Investment in joint venture

Subscription for shares in and capital contribution to joint ventures.

Funding and cost	**2021** **£'000**	2020 £'000
Beginning of the year	-	-
Equity funding	**7,298**	7,735
Utilisation of onerous contract provision	**(7,298)**	(7,735)
Closing balance for the year	-	-

Notes to the financial statements (continued)

2. Investment in joint venture (continued)

Investment in joint ventures shown above represent the cost of shares and further equity contribution to the joint venture. Details of the principal investments of the Company are as follows:

Name	Country of incorporation	Description and proportion of shares held (%)	Principal activity
Direct holdings			
Sky News Arabia FZ-LLC	United Arab Emirates	112,816,666 (2020: 102,816,666) $1 ordinary shares (50% of total issued shares)	Television news broadcaster

The Directors have reviewed the carrying value of the investment in joint ventures and due to the lack of visibility of future profits the investment has been impaired for accounting purposes, through the utilisation of the onerous contract provision booked in the prior year, by £7,298,000 (2020: £7,735,000).

3. (Loss)/profit before tax

Employee Services

There were no employee costs during the year or prior year, as the Company had no employees, other than the Directors. Services are provided by employees of other companies within the Group with no charge being made for their services. The Directors did not receive any remuneration during the year in respect of their services to the Company.

Audit fees

Amounts paid to the auditor for the audit of the Company's annual financial statements of £10,000 (2020: £10,000) were borne by another Group subsidiary in both the current and prior year. No amounts for other services have been paid to the auditor.

4. Tax

a) Tax recognised in the Income Statement

	2021	2020
	£'000	£'000
Current tax expense		
Current year	-	-
Total current tax charge	-	-

b) Reconciliation of effective tax rate

The tax expense for the year is consistent with (2020: consistent with) the standard rate of corporation tax in the UK of 19.0% (2020: 19.0%) applied to (loss)/profit before tax. The differences are explained below:

	2021	2020
	£'000	£'000
(Loss)/profit before tax	**(30)**	212
(Loss)/profit before tax multiplied by rate of corporation tax in the UK of 19.0% (2020: 19.0%)	**(6)**	40
Effects of:		
Non-taxable provision movements	**6**	(40)
Tax	-	-

All tax relates to UK corporation tax.

5. Trade and other payables

	2021 £'000	2020 £'000
Current		
Amounts falling due within one year:		
Amounts payable to other group companies	**79,496**	72,198
Total current trade and other payables	**79,496**	72,198
Total trade and other payables	**79,496**	72,198

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

Amounts payable to other group companies totalling £79,496,000 (2020: £72,198,000) of which £67,355,000 (2020: £60,057,000) represent trade payables; they are non-interest bearing and repayable on demand. The remaining balance of £12,141,000 (2020: £12,141,000) is a loan. The loan is non-interest bearing and repayable on demand.

Amounts owed to other group companies are non-interest bearing and repayable on demand.

6. Provisions

	At 1 January 2020 £'000	Reclassified during the year £'000	Provided during the year £'000	Utilised during the year £'000	At 31 December 2020 £'000	**Reclassified during the year £'000**	**Provided during the year £'000**	**Utilised during the year £'000**	**At 31 December 2021 £'000**
Current liabilities									
Joint venture provisions	7,549	7,316	-	(7,549)	7,316	**3,032**	**-**	**(7,316)**	**3,032**
	7,549	7,316	-	(7,549)	7,316	**3,032**	**-**	**(7,316)**	**3,032**
Non-current liabilities									
Joint venture provisions	12,913	(7,316)	(398)	-	5,199	**(3,032)**	**48**	**-**	**2,215**
	12,913	(7,316)	(398)	-	5,199	**(3,032)**	**48**	**-**	**2,215**

The Company has provided for the obligation to contribute USD$10m in equity funding per annum up to 6 May 2022 and USD$1m in equity funding per annum up to 31 December 2025, representing the period covered by the Venture's latest business plan.

7. Financial risk management objectives and policies

The Group's Treasury function is responsible for raising finance for the Company's operations. The Sky Group Treasury function manages liquidity, foreign exchange, interest rate and credit risks. Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by both the Audit Committee and the Board, which receive regular updates of Treasury activity. Derivative instruments are transacted for risk management purposes only. It is the Group's policy that all hedging is to cover known risks and no speculative trading is undertaken. Regular and frequent reporting to management is required for all transactions and exposures, and the internal control environment is subject to periodic review by the Group's internal audit team.

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

Notes to the financial statements (continued)

7. Financial risk management objectives and policies (continued)

Capital Risk Management

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

Liquidity risk

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

The Company's financial liabilities are shown in notes 5 and 6.

The following table analyses the Company's non-derivative financial liabilities into relevant maturity groupings, based on the remaining period at the balance sheet date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows. These amounts may therefore not reconcile to the liabilities disclosed on the Balance Sheet.

	Less than 12 months	**Between one and two years**	**Between two and five years**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
At 31 December 2021				
Non-derivative financial liabilities				
Trade and other payables	**79**	**-**	**-**	**79**
Provisions	**3**	**1**	**1**	**5**
Gross settled derivatives				

	Less than 12 months	**Between one and two years**	**Between two and five years**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
At 31 December 2020				
Non-derivative financial liabilities				
Trade and other payables	72	-	-	72
Provisions	7	3	2	12
Gross settled derivatives				

During the year the Company has not early adopted any matters in relation to interest rate benchmark reform. The treasury function of the Sky Group is in the process of reviewing the implications of this reform (with changes effective during 2022) and its impact on loan balances held by the Company. All loans which are based on LIBOR or other rates which will not be available are scheduled to be moved to a comparable rate in 2022 as part of the implementation of the interest rate benchmark reform.

8. Share capital

	2021	2020
	£'000	£'000
Authorised, called-up and fully paid		
100 (2020: 100) Ordinary shares of £1 (2020: £1) each	**-**	-

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

9. Transactions with related parties

a) Key management

The Company has a related party relationship with the Directors of the Company. At 31 December 2021, there were 3 (2020: 3) members of key management who were Directors of the Company. The Directors did not receive any remuneration during the year in respect of their services to the Company (2020: £nil).

b) Transactions with other Group companies

At 31 December 2021, the Company had an amount payable of £79,496,000 (2020: £72,198,000) to other Group companies . For details of amounts owed by and owed to other Group companies, see note 5.

c) Transactions with joint ventures

During the year, the Company invested £7,298,000 (2020: £7,735,000) into its joint venture, see note 2.

10. Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of Sky SNI 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. Or at :https://www.cmcsa.com/investors.