SKY SNI LIMITED

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

Registered number: 08458834

Directors and Officers

For the year ended 31 December 2021

Directors

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

C Smith
T C Richards
S Robson

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 UK 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 Comcast Group.

The principal activity of the Company is the provision to Sky UK Limited of newsgathering and production services to produce editorial content for the Sky News Channel and associated digital productions within the United Kingdom, the Channel Islands, the Isle of Man and the Republic of Ireland.

Financial Review and Dividends

The audited financial statements for the year ended 31 December 2021 are set out on pages 13 to 30.

The profit before tax for the year was £5,340,000 (2020: £6,737,000). Revenue has increased to £72,596,000 (2020: £71,509,000) and operating expenses have increased to £67,253,000 (2020: £64,773,000). The Company's total liabilities and shareholder's equity is £81,977,000 which is higher than at the prior year end (2020: £78,262,000) and is primarily due to profit for the year.

No dividends were paid to the shareholders during the year (2020: nil). The Directors do not recommend the payment of a final dividend.

The Directors expect that there will be no major changes in the Company's activities in the following 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 credit risk and liquidity risk. The Company is also exposed to risk through the performance of its investments.

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

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk. The use of financial derivatives is governed by the 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.

Credit risk

The Balance Sheet of the Company includes intercompany balances due from related parties. The Company is therefore exposed to credit risk on these balances. Credit risk is managed centrally by the Group. The intercompany balances of the Company are detailed in note 12. 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 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.

The Company's financial liabilities are shown in note 13.

Investment performance risk

The principal risk facing the Company relates to the recoverability of the Company's investment in subsidiaries. Recovery of these assets is dependent upon the generation of sufficient profits to pay dividends or from the proceeds of sale of such investments, in the event of their disposal. The Company reviews the carrying amount of its investments at balance sheet date to determine whether there is any indication of impairment.

Legislation and Regulation risk

U.K. Exit from the European Union

The telecommunications and media regulatory framework applicable to the Company's business is subject to greater uncertainty as a result of the United Kingdom's withdrawal from the European Union. In 2021, the U.K. government signalled its intention of moving away from the E.U.'s approach in a number of policy areas, increasing the possibility of greater divergence between the regulation of U.K. businesses and other European businesses over time. We are not able to predict the extent of any such divergence at this point in time.

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.

Streamlined Energy and Carbon Reporting

We have been reporting our carbon footprint since 2005/6. In 2006 we decided to extend our environmental management programme to become carbon neutral. Tackling climate change was becoming more and more important and we chose to take a lead in reducing and offsetting emissions.

Sky follows three steps to become carbon neutral:

- Measure - we calculate our greenhouse gas emissions at the end of each financial year by calculating our Scope 1 and 2 CO_2e emissions (premises, company owned vehicles and refrigerant use) and Scope 3 emissions including business travel and waste sent to landfill.
- Reduce - we are committed to avoiding and reducing our emissions before offsetting to achieve our carbon neutral status. Performance against our targets can be reviewed in our Bigger Picture Impact Report.
- Offset - each year we offset our location-based Scope 1 and 2 emissions and selected Scope 3 emissions to make Sky a CarbonNeutral® Company across our operations. Carbon offsetting is compensating for your own, unavoidable emissions by financing an emission reduction project elsewhere. That finance purchases carbon credits, equivalent to one tonne of CO_2 each, which the emission reduction projects generate. These projects are audited by an independent third party.

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

We verify our carbon neutral result by following the CarbonNeutral® Protocol, the global standard for carbon neutral programmes, to ensure our claim is robust and credible. Our CarbonNeutral® certification, awarded by a third party, provides independent assurance of our climate action.

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.

	2021		2020	
	UK and Ireland	Sky Group	UK and Ireland	Sky Group
Carbon Intensity				
Revenue (£m)	**10,891**	**14,744**	9,873	14,464
Carbon intensity (Total scopes 1 and 2 (location-based) tCO2e/£m revenue	**5.67**	**6.06**	6.14	6.16
Carbon Emissions (tCO2e)				
Scope 1 (Fuel combustion and operation of facilities)	**21,657**	**38,324**	19,929	36,448
Scope 2 (market-based purchased energy)	**3,038**	**8,149**	7,737	21,577
Total Scope 1 and Scope 2 (market-based purchased energy)	**24,695**	**46,473**	27,666	58,025
Scope 2 (location-based purchased energy)	**40,090**	**51,055**	40,648	52,675
Total Scope 1 and Scope 2 (location-based purchased energy)	**61,747**	**89,379**	60,577	89,123
Total Energy consumption Scope 1 and Scope 2 (kWh)	**280,703,720**	**400,474,465**	261,589,964	382,428,211
Carbon Emissions (Scope 3 tCO2e)				
Scope 3 (Business travel in non-company vehicles)	**977**	**1,095**	1,311	1,436

The information provided is for Sky's UK and Ireland operations as a whole. Due to the complexity of the corporate structure in the UK and Ireland, further disaggregated reporting at an entity level is not available at this time. We believe users of the financial statements are well served by understanding the scope of Sky's emissions in the UK and Ireland as a whole, but will further assess a practical way to present this on an entity basis.

Corporate Governance Statement (continued)

Streamlined Energy and Carbon Reporting (continued)

Methodology

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

Our total gross CO2e emissions include all Scope 1 and Scope 2 location-based greenhouse gas emissions; and our market-based emissions are those remaining after emissions factors from contractual instruments have been applied. Our energy providers retain, on our behalf, the Guarantees of Origin (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 Scope 1 & 2 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.

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, both individually and collectively, consider that they have discharged their duties under Section 172 whilst considering the factors listed above in the decisions made during the year ended 31 December 2021.

Due to the breadth and extent of stakeholders and the size of the Sky Group as a whole, stakeholder engagement often takes place at an operational, country 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 are consistent with Comcast's Code of Conduct and made in pursuit of promoting the success of the Company and its members as a whole. Key decisions made at the individual Company level include approving the annual report and financial statements and approving dividend distributions in board meetings, among others. The dividend policy applicable to each entity in Sky Group is governed by decisions made at a Group level.

Our Employees

We communicate with our employees frequently and conduct employee engagement surveys. 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 diverse range of our customers and modern society.

The Company is proud of our community of volunteer employee networks who support our commitment to diversity and inclusion and help drive change. 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 Sky 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.

Today@Sky is Sky Group's employee intranet which publishes, daily online, articles of national importance, local company news and matters of concern to employees and the Company alike. It is a dynamic resource widely used and regarded and easily provides an opportunity for feedback and comment from employees. The Company encourages a culture of open communication and reporting, and the Sky Listens Programme (along with the Comcast NBCUniversal Listens Programme) provides several available channels to raise concerns without fear of retaliation. People are encouraged to speak up using whichever reporting option they feel most comfortable with, and anyone may submit a report via the Sky Listens Helpline or Web Portal. We provide details on how to speak up on Today@Sky, along with company policies and guides including the Comcast Code of Conduct and Sky's Ways of Working.

The average monthly number of employees subject to contracts of service employed by the Company during the year was nil (2020: nil).

Our Partners

As part of the Comcast Group we understand the need to foster good relationships with our suppliers and our customers. We seek to offer the very best service to our customers. We use the highest editorial standards and have strong privacy protections. Our products are safe, easy and enjoyable to use. We seek to build successful long-term relationships with our partners. 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 we expect our business partners to do the same.

We conduct an annual Human Rights Risk Assessment using our tool which brings together risk assessments from across the business. We conduct supplier engagement and pre-contract audits with high-risk suppliers. We provide training and support to suppliers to make improvements and are guided by our victim-centred Response Protocol for incidents raised with possible indicators of modern slavery. Our Human Rights Policy is informed by our risk assessment. We monitor outcomes of human rights due diligence aligned to our policy to understand the effectiveness of our policy.

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

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

Our Communities

As 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 that together we can build a future that benefits generations to come. We are focusing our efforts in the following areas:

- Digital Equity - by helping people access the latest resources, skills and the tools they need to succeed in an increasingly digital world;
- Diversity, Equity and Inclusion - by creating a truly diverse and equitable company and society;
- Environment - by shaping a sustainable future by improving our environmental impact; and
- Value and Integrity - by fostering a company culture built on integrity and respect. Our values and principles guide everything we do.

Strategic and Directors' Report (continued)

Corporate Governance Statement (continued)

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 also having regard to the factors outlined in Section 172 of the Companies Act 2006.

Approved by the Board and signed on its behalf by

T C Richards
Director

Grant Way
Isleworth
Middlesex
United Kingdom
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 current 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
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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKY SNI LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Sky SNI 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 profit 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;
- the related notes 1 to 20.

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 Report (continued)

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

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 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 Privacy and Electronic Communications Regulations 2003, the Communications Act 2003, 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 revenue recognised for the provision of news production and news gathering services to Sky UK Limited. We performed specific procedures to address this risk including:
- obtaining an understanding of management's process and control environment relating to revenue recognition and *intercompany recharges*;
- selecting samples on total revenue recognised and tracing to supporting evidence of occurrence such as bank statement evidence of receipt; and
- recalculating the intercompany recharge to Sky UK Limited and comparing to the amount recorded in the ledger.

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.

Auditor's Report (continued)

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

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

Jon Young FCA, (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Chartered Accountants and Statutory Audit Firm
7 September 2022

Income statement

For the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Revenue	3	**72,596**	71,509
Operating expense	4	**(67,253)**	(64,773)
Operating profit		**5,343**	6,736
Investment income		**-**	1
Finance (cost)/income		**(3)**	-
Profit before tax	5	**5,340**	6,737
Tax	7	**(742)**	(1,176)
Profit for the year attributable to equity shareholder		**4,598**	5,561

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	2021 £'000	2020 Restated (Note 20) £'000	2019 Restated (Note 20) £'000
Non-current assets				
Intangible assets	8	**-**	106	150
Property, plant and equipment	9	**2,142**	3,134	3,819
Investment in subsidiaries	11	**1,715**	1,715	1,715
Deferred tax assets	10	**1,165**	865	848
Trade and other receivables	12	**75,966**	71,299	64,139
Total non-current assets		**80,988**	77,119	70,631
Current assets				
Trade and other receivables	12	**989**	1,143	997
Total current assets		**989**	1,143	997
Total assets		**81,977**	78,262	71,668
Current liabilities				
Trade and other payables	13	**2,448**	3,332	2,299
Total liabilities		**2,448**	3,332	2,299
Share capital	16	**-**	-	-
Retained earnings		**79,528**	74,930	69,369
Total equity attributable to equity shareholder		**79,528**	74,930	69,369
Total liabilities and shareholder's equity		**81,977**	78,262	71,668

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 SNI Limited, registered number 08458834 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

	Share capital £'000	Retained earnings £'000	Total shareholder's equity £'000
At 1 January 2020	**-**	**69,369**	**69,369**
Profit for the year	-	5,561	5,561
At 31 December 2020	**-**	**74,930**	**74,930**
Profit for the year	-	4,598	4,598
At 31 December 2021	**-**	**79,528**	**79,528**

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

Notes to the financial statements

1. Company information

Sky SNI 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 08458834. The Company's principal activities are set out in the Directors' report.

2. Significant accounting policies

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 Directors' 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 classified assets and liabilities as current when they are expected to be realised in, or intended for sale or consumption in, the normal operating cycle of the Company.

The Company has taken advantage of the exemption from preparing consolidated accounts afforded by section 401 of the Companies Act 2006, because it is a wholly-owned subsidiary of Comcast Corporation which prepares consolidated accounts which are publicly available (see note 19).

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.

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

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 current 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) Intangible assets and property, plant and equipment ("PPE")

i. Intangible assets

Research expenditure is recognised in operating expense in the Income Statement as the expenditure is incurred. Development expenditure (relating to the application of research knowledge to plan or design new or substantially improved products for sale or use within the business) is recognised as an intangible asset from the point that the Company has the intention and ability to generate future economic benefits from the development expenditure, that the development is technically feasible and that the subsequent expenditure can be measured reliably. Any other development expenditure is recognised in operating expense as incurred.

Other intangible assets, which are acquired by the Company separately or through a business combination, are initially stated at cost or fair value, respectively, less accumulated amortisation and impairment losses, other than those that are classified as held for sale, which are stated at the lower of carrying amount and fair value less costs to sell.

Notes to the financial statements (continued)

c) Intangible assets and property, plant and equipment ("PPE") (continued)

i. Intangible assets (continued)

Amortisation of an intangible asset begins when the asset is available for use, and is charged to the Income Statement through operating expense over the asset's useful economic life in order to match the expected pattern of consumption of future economic benefits embodied in the asset.

Principal useful economic lives used for this purpose are:

Trademarks	5 to 25 years straight-line over licence period, as applicable
Internally generated intangible assets	3 to 5 years straight-line
Software development (external) and software licences	3 to 7 years straight-line
Other intangible assets	1 to 5 years straight-line

If the useful life is indefinite or the asset is not yet available for use, no amortisation is charged and an impairment test is carried out at least annually. Other intangible assets are tested for impairment in line with accounting policy f) below.

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

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

The costs of assets comprise the following, where applicable:

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

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

Freehold buildings	25 to 40 years
Equipment, furniture and fixtures	3 to 20 years

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

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

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

d) Financial assets and liabilities

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

Financial assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Financial assets and liabilities are recognised on the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the financial asset or liability. Financial assets are derecognised from the Balance Sheet when the Company's contractual rights to the cash flows expire or the Company transfers substantially all the risks and rewards of the financial asset. Financial liabilities are derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged, cancelled or expires.

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.

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

d) Financial assets and liabilities (continued)

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.

e) Investment in subsidiaries

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

f) Impairment

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

An impairment is recognised in the 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.

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. Syndication revenue is recognised on an accrual basis under the relevant terms of the agreements between the parties. Other revenue is generated from intercompany recharges for the provision of news production and news gathering services to the Sky Group.

h) Tax, including deferred tax

The Company's liability for current tax is based on taxable profits for the year, and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profits.

Taxable temporary differences arising from goodwill and, except in a business combination, the initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit, are not provided for. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that have been enacted or substantively enacted at the balance sheet date.

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

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

2. Significant accounting policies (continued)

i) 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)

j) 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.

Below is a summary of the Company's critical accounting policies and details of the key areas of estimation or judgement that are exercised in their application.

i. Taxation, including deferred taxation (see note 7)

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 and estimates 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 estimation and 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.

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. Revenue (see note 3)

Selecting the appropriate timing for, and amount of, revenue to be recognised requires judgement. This may involve estimating the fair value of consideration before it is received.

2. Significant accounting policies (continued)

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

iii. Intangible assets and property, plant and equipment (see notes 8 and 9)

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 period 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

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.

3. Revenue

	2021 £'000	2020 £'000
Wholesale and syndication	**3,044**	3,504
News production and gathering services	**69,552**	68,005
Total revenue	**72,596**	71,509

Wholesale and syndication revenue arises from the sales of News content to digital, radio and other platforms in the United Kingdom and Republic of Ireland. The other revenue is generated from intercompany recharges for the provision of news production and news gathering services to Sky UK Limited.

4. Operating expense

	2021 £'000	2020 £'000
Programming	**64,206**	62,337
Sales, general and administration	**3,047**	2,436
Total operating expense	**67,253**	64,773

Notes to the financial statements (continued)

5. Profit before tax

Profit before tax is stated after charging	**2021** **£'000**	2020 £'000
Depreciation of property, plant and equipment	**977**	791
Amortisation of intangible assets	**32**	42

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.

6. Auditor's remuneration

Audit fees

Fees payable to the Company's auditor for the audit of the annual accounts were £15,000 (2020: £15,000) and fees payable to the Company's auditor for settlement of audit fees on behalf of other Group companies were £nil (2020: £nil).

7. Tax

a) Tax recognised in the Income Statement

	2021 **£'000**	2020 £'000
Current tax expense		
Current year	**1,043**	1,193
Adjustment in respect of prior years	**-**	-
Total current tax charge	**1,043**	1,193
Deferred tax credit		
Origination and reversal of temporary differences	**35**	141
Adjustment in respect of prior years	**(105)**	(62)
Adjustment in respect of change in tax rate	**(231)**	(96)
Total deferred tax credit	**(301)**	(17)
Tax expense	**742**	1,176

7. Tax (continued)

c) Reconciliation of effective tax rate

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

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

	2021	2020
	£'000	£'000
Profit before tax	**5,340**	6,737
Profit before tax multiplied by rate of corporation tax in the UK of 19.0% (2020: 19.0%)	**1,015**	1,280
Effects of:		
Adjustment in respect of change in tax rates	**(231)**	(96)
Temporary differences not recognised	**(4)**	(2)
Non-deductible expense	**65**	56
Adjustment in respect of prior year	**(103)**	(62)
Tax	**742**	1,176

All tax relates to UK corporation tax.

Notes to the financial statements (continued)

8. Intangible assets

	Internally generated intangible assets £'000	Software Development (external) £'000	Software licences £'000	Other intangible assets £'000	Total £'000
Cost					
At 1 January 2020	346	(15)	15	9	355
Disposals	(2)	-	-	-	(2)
Transfers	-	15	(15)	-	-
At 31 December 2020	344	-	-	9	353
Disposals	(170)	-	-	-	(170)
At 31 December 2021	**174**	**-**	**-**	**9**	**183**
Amortisation					
At 1 January 2020	(196)	15	(15)	(9)	(205)
Charge for the year	(42)	-	-	-	(42)
Transfers	-	(15)	15	-	-
At 31 December 2020	(238)	-	-	(9)	(247)
Charge for the year	(32)	-	-	-	(32)
Disposals	96	-	-	-	96
At 31 December 2021	**(174)**	**-**	**-**	**(9)**	**(183)**
Carrying amounts					
At 1 January 2020	150	-	-	-	150
At 31 December 2020	106	-	-	-	106
At 31 December 2021	**-**	**-**	**-**	**-**	**-**

The Company's internally generated intangible assets relate to software development associated with producing and providing Sky News content.

9. Property, plant and equipment

	Freehold land and buildings £'000	Leasehold improvements £'000	Equipment, furniture and fixtures £'000	Total £'000
Cost				
At 1 January 2020	73	4	16,713	16,790
Additions	15	-	91	106
At 31 December 2020	**88**	**4**	**16,804**	**16,896**
Additions	-	-	193	193
Disposals	(63)	-	(2,598)	(2,661)
At 31 December 2021	**25**	**4**	**14,399**	**14,428**
Accumulated depreciation				
At 1 January 2020	(9)	(1)	(12,961)	(12,971)
Charge for the year	(4)	-	(787)	(791)
At 31 December 2020	**(13)**	**(1)**	**(13,748)**	**(13,762)**
Charge for the year	(3)	-	(974)	(977)
Disposals	5	-	2,448	2,453
At 31 December 2021	**(11)**	**(1)**	**(12,274)**	**(12,286)**
Carrying amounts				
At 1 January 2020	64	3	3,752	3,819
At 31 December 2020	75	3	3,056	3,134
At 31 December 2021	**14**	**3**	**2,125**	**2,142**

The majority of leases relate to property. The rents payable under these leases are subject to renegotiation at the various intervals specified in the leases.

10. Deferred tax

Recognised deferred tax assets

	Accelerated tax depreciation £'000	Total £'000
At 1 January 2020	848	848
Adjustment in respect of prior years	-	-
Effect of change in tax rate	-	-
Credit to income	17	17
Credit to equity	-	-
At 31 December 2020	865	865
Adjustment in respect of prior years	-	-
Effect of change in tax rate	-	-
Credit to income	300	300
Credit to equity	-	-
At 31 December 2021	**1,165**	**1,165**

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% (2020: 19%).

11. Investment in subsidiaries

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

	2021 £'000	2020 £'000
Investment in subsidiaries	**1,715**	1,715

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

Details of the principal investments of the Company are as follows:

Grant Way, Isleworth, Middlesex, TW7 5QD

Name	Country of incorporation	Description and proportion of shares held (%)
Direct holdings		
Sky SNA Limited	United Kingdom	100 ordinary shares of £1 each (100%)
Sky SNI Operations Limited	United Kingdom	200 ordinary shares of £1 each (100%)

Boulevard Charlemagne 1, 1041 Brussels

Name	Country of incorporation	Description and proportion of shares held (%)
Direct holdings		
Sky Channel SA	Belgium	1,249 ordianry shares of €49.60 each (99.92%)

12. Trade and other receivables

	2021 £'000	2020 Restated (Note 20) £'000
Gross trade receivables	**108**	4
Less: loss allowance	**-**	(3)
Net trade receivables	**108**	1
Amounts falling due within one year:		
Amounts receivable from subsidiaries [c]	**145**	145
Prepayments	**90**	173
VAT	**246**	59
Accrued income	**400**	765
Current trade and other receivables	**989**	1,143
Amounts receivable from other group companies [a]	**3,218**	3,215
Amounts receivable from immediate parent company [b]	**72,748**	68,084
Total non-current trade and other receivables	**75,966**	71,299
Total trade and other receivables	**76,955**	72,442

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. There are no contract assets which require recognition under IFRS 15.

The ageing of the Company's net trade receivables which are past due but not impaired is as follows:

	2021 £'000	2020 £'000
Up to 30 days past due date	**108**	-
More than 120 days past due date	**-**	1
	108	1

Loss allowance

	2021 £'000	2020 £'000
Balance at beginning of year	**3**	7
Amounts utilised	**(3)**	(1)
Statement of Comprehensive Income charge	**-**	(3)
Balance at end of year	**-**	3

a) Amounts receivable from other group companies

Amounts due from other Group companies as at 31 December 2021 totalling £3,218,000 (2020: £3,215,000) represent trade receivables, these are non-interest bearing and are repayable on demand.

12. Trade and other receivables (continued)

b) Amounts receivable from immediate parent company

Amounts due from immediate parent company Sky UK Limited as at 31 December 2021 totalling £72,747,599 (2020: £68,084,000) represent trade receivables; they are non-interest bearing and are repayable on demand.

c) Amounts receivable from subsidiaries

Amounts due from subsidiaries as at 31 December 2021 totalling £145,000 (2020: £145,000) represent trade receivables, these are non-interest bearing and are repayable on demand.

13. Trade and other payables

	2021	2020
	£'000	£'000
Current		
Amounts falling due within one year:		
Trade payables	**120**	74
Amounts payable to other group companies [(a)]	**1,570**	2,774
VAT	**277**	98
Accruals	**481**	386
Total current trade and other payables	**2,448**	3,332

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.

There are no contract liabilities which require recognition under IFRS 15.

(a) Amounts payable to other group companies totalling £1,570,000 (2020: £2,774,000) represent other payables; they are non-interest bearing and repayable on demand.

14. Financial Instruments

(a) Carrying value and fair value

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

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

	Financial Assets at	**Financial Liabilities at**		
	Amortised Cost	**Amortised Cost**	**Total carrying value**	**Total fair values**
	£'000	**£'000**	**£'000**	**£'000**
At 31 December 2021				
Trade and other payables	**-**	**(2,171)**	**(2,171)**	**(2,171)**
Trade and other receivables	**76,619**	**-**	**76,619**	**76,619**
At 31 December 2020				
Trade and other payables	-	(3,234)	(3,234)	(3,234)
Trade and other receivables	72,210	-	72,210	72,210

15. Financial risk management objectives and policies

Capital Risk Management

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

Liquidity risk

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

The Company's financial liabilities are shown in note 13.

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	More than five years	Total
	£'000	£'000	£'000	£'000	£'000
At 31 December 2021					
Trade and other payables	**2,171**	-	-	-	**2,171**
At 31 December 2020					
Trade and other payables	**3,234**	-	-	-	**3,234**

Credit risk

The Company's maximum exposure to credit risk on trade receivables is the carrying amounts as disclosed in note 12.

16. Share capital

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

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

Notes to the financial statements (continued)

17. Contracted commitments, contingencies and guarantees

a) Future minimum expenditure contracted for but not recognised in the financial statements

	***Less than* 1 year**	***Between 1 and* 5 years**	***After* 5 years**	***Total at 31* December 2021**	Total at 31 December 2020
	£'000	**£'000**	**£'000**	**£'000**	£'000
Newsgathering	892	-	-	**892**	1,762
Total	**892**	**-**	**-**	**892**	1,762

18. Transactions with related parties

a) Transactions with the 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 other Group companies as required. For details of amounts owed by the parent company, see note 12.

b) Transactions with subsidiaries

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. For details of amounts owed by the subsidiaries, see note 12.

c) Transactions with other Group companies

For details of amounts owed by and owed to other Group companies, see note 12 and note 13.

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.

19. 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. Or at :https://www.cmcsa.com/investors.

Notes to the financial statements (continued)

20. Prior-period restatement

In preparing financial statements for the year ended 31 December 2021, the classification of intercompany receivable balances between current and non-current was re-assessed with reference to the timing of their expected settlement. In doing so, it was identified that certain intercompany balances were incorrectly classified as current in prior years. This classification error is a material error in prior periods and therefore the 2020 and 2019 balances have been restated in the 2021 financial statements.

	2020 As previously stated £'000	**2020 Adjustment £'000**	**2020 Restated balance £'000**
Amounts receivable from immediate parent company - current	68,084	(68,084)	-
Amounts receivable from immediate parent company - non current	-	68,084	68,084

	2020 As previously stated £'000	**2020 Adjustment £'000**	**2020 Restated balance £'000**
Amounts receivable from other group companies - current	3,215	(3,215)	-
Amounts receivable from other group companies - non current	-	3,215	3,215

	2019 As previously stated £'000	**2019 Adjustment £'000**	**2019 Restated balance £'000**
Amounts receivable from immediate parent company - current	60,930	(60,930)	-
Amounts receivable from immediate parent company - non current	-	60,930	60,930

	2019 As previously stated £'000	**2019 Adjustment £'000**	**2019 Restated balance £'000**
Amounts receivable from iother group companies - current	3,209	(3,209)	-
Amounts receivable from other group companies - non current	-	3,209	3,209