SKY SNI OPERATIONS LIMITED

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

Registered number: 08522753

Directors and Officers

For the year ended 31 December 2022

Directors

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

S Robson
P Wedlock
T C Richards

Secretary
Sky Corporate Secretary Limited

Registered office
Grant Way
Isleworth
Middlesex
TW7 5QD

Auditor
Deloitte LLP
Statutory Auditor
London
United Kingdom

Strategic and Directors' Report

Strategic Report for the year ended 31 December 2022

The Directors present their Strategic 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 2022, with comparatives for the year ended 31 December 2021.

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

Business review and principal activities

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

The Company was incorporated and registered a Swiss branch on 9 May 2013. The principal activity of the Company is the distribution of 24-hour news channels to an international market and this business was transferred from Sky International Operations Limited to the Company on 1 July 2013. The Swiss branch has had control of the business relating to the international distribution (being all countries worldwide other than the United Kingdom, the Channel Islands, the Isle of Man and the Republic of Ireland) of the Sky News Channel and the Sky Sports News Channel. From 2020 new business started to be contracted with the UK head office.

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.

Financial Review and Dividends

The audited financial statements for the year ended 31 December 2022 are set out on pages 10 to 28. The Company made a profit for the year of £582,000 (2021 restated: £511,000 loss). The Balance Sheet shows that the Company's shareholder's position at the end of the year was £6,379,000 (2021 restated: £5,797,000), with the change in financial position being driven by the profit in the year. The Directors do not recommend the payment of a final dividend (2021: £nil).

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

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

Key performance indicators (KPIs)

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

Principal risks and uncertainties

The Company's activities expose it to financial risks, namely interest rate risk, foreign exchange risk, credit risk and liquidity risk. The Directors do not believe the Company is exposed to significant cash flow risk or price risk.

Approved by the Board and signed on its behalf by

P Wedlock
Director

Grant Way
Isleworth
Middlesex
TW7 5QD

Date:28 September 2023

Directors' Report for the year ended 31 December 2022

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

Directors

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

Going concern

The Company's business activities together with the factors likely to affect its future development and performance are set out in the Business Review. The Strategic Report details the financial position of the Company, as well as the Company's objectives and policies, and details of its key exposures to risk.

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

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

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

Director's confirmations

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

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

Auditor

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them was approved by the Board of Directors on 28 September 2023.

Dividend

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

Financial risk management objectives and policies

The Company's activities expose it to financial risks, namely interest rate risk, foreign exchange risk, credit risk and liquidity risk. The Directors do not believe the Company is exposed to significant cash flow risk or price risk.

Interest rate risk

The Company has financial exposure to UK interest rates arising from floating rate loan balances with other companies within the Group. The Comcast Group's Treasury function monitors the Company's exposure to fluctuations in interest rates.

Foreign exchange risk

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates. Refer to note 13 for further information.

Credit risk

The Company's principal financial assets are cash, cash equivalents, trade and other receivables.

The Balance Sheet of the Company includes receivables due from third parties, as well as intercompany balances due from related parties. The Company is therefore exposed to credit risk on these balances. The Company recognises credit losses relating to these receivables, as applicable, under an expected loss model in accordance with IFRS 9 Financial Instruments. The receivables balances of the Company are detailed further in note 10.

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.

Branches outside the United Kingdom

The Company has the following company branches outside the UK: Sky SNI Operations Ltd, Isleworth Zurich Branch (Switzerland)

Approved by the Board and signed on their behalf by:

P Wedlock
Director

Grant Way
Isleworth
Middlesex
TW7 5QD

28 September 2023

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

Report on the audit of the financial statements

Opinion

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

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

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 16.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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, internal audit and directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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

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

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

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

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

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

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

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

Auditor's Report (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 or the directors' report.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

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

Income Statement

For the year ended 31 December 2022

	Notes	2022 £'000	2021 (restated - note 16) £'000
Revenue	3	**1,732**	1,999
Operating expense	4	**(1,346)**	(2,291)
Operating profit/(loss)		**386**	(292)
Investment income	5	**25**	-
Finance income/(cost)		**259**	(69)
Profit/(loss) before tax	6	**670**	(361)
Tax	7	**(88)**	(150)
Profit/(loss) for the year attributable to equity shareholder		**582**	(511)

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

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

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

Balance Sheet

As at 31 December 2022

	Notes	2022 £'000	2021 (restated - note 16) £'000
Non-current assets			
Right-of-use assets	8	**681**	1,250
Investment in subsidiaries	9	**1**	1
Trade and other receivables	10	**500**	494
Total non-current assets		**1,182**	1,745
Current assets			
Trade and other receivables	10	**8,488**	5,882
Cash and cash equivalents		**2,148**	4,683
Current tax assets		**583**	273
Total current assets		**11,219**	10,838
Total assets		**12,401**	12,583
Current liabilities			
Trade and other payables	11	**5,635**	5,660
Lease liabilities		**199**	451
Total current liabilities		**5,834**	6,111
Net current assets		**5,385**	4,727
Non-current liabilities			
Lease liabilities		**188**	675
Total non-current liabilities		**188**	675
Total liabilities		**6,022**	6,786
Share capital	14	**-**	-
Share premium		**665**	665
Reserves		**5,714**	5,132
Total equity attributable to equity shareholder		**6,379**	5,797
Total liabilities and shareholder's equity		**12,401**	12,583

Balance Sheet (continued)

As at 31 December 2022

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

The financial statements of Sky SNI Operations Limited, registered number 08522753 were approved by the Board of Directors on 28 September 2023 and were signed on its behalf by:

P Wedlock
Director

28 September 2023

Statement of Changes in Equity

For the year ended 31 December 2022

	Share premium £'000	Retained earnings £'000	Total shareholder's equity £'000
At 1 January 2021 as previously stated	665	5,595	6,260
Impact of prior year error identified	-	48	48
At 1 January 2021 (restated - note 16)	665	5,643	6,308
Loss for the year (restated - note 16)	-	(511)	(511)
Total comprehensive loss for the year	**-**	**(511)**	**(511)**
At 31 December 2021 (restated - note 16)	**665**	**5,132**	**5,797**
Profit for the year	-	582	582
Total comprehensive income for the year	**-**	**582**	**582**
At 31 December 2022	**665**	**5,714**	**6,379**

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

Notes to the financial statements

1. Company information

Sky SNI Operations 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 08522753. The Company's principal activities are set out in the Strategic report.

2. Significant accounting policies

a) Statement of compliance

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

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

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

b) Basis of preparation

The financial statements have been prepared using the going concern basis and on a historical cost basis, 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 ("Comcast") which prepares consolidated accounts which are publicly available (see note 15).

Going concern

The Company's business activities together with the factors likely to affect its future development and performance are set out in the Business Review. The Strategic Report details the financial position of the Company, as well as the Company's objectives and policies, and assessment of risk.

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

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

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

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. Financial assets are determined to be current or non-current based on expected settlement, whilst financial liabilities are determined to be current or non-current based on their contractual settlement date.

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

2. Significant accounting policies (continued)

c) Financial assets and liabilities (continued)

i. Trade and other receivables

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

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

ii. Cash and cash equivalents

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

iii. 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 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.

2. Significant accounting policies (continued)

e) 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.

IFRS 15 requires that the recognition of revenue from contracts with customers must reflect:

- the rate at which performance obligations are fulfilled, corresponding to the transfer to a customer of control of a good or service, where control transfers either over time, or at a point in time; and
- *the amount to which the seller expects to be entitled as consideration for its activities.*

The Company's revenue comprises to direct-to-consumer, content and advertising revenue. Before revenue is recognised, IFRS 15 requires a contract as well as the various performance obligations contained in the contract to be identified. The number of performance obligations depends on the types of contracts and activities.

Syndication revenue is recognised on an accrual basis under the relevant terms of the agreements between the parties.

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.

f) Leases

The Company has elected to not apply the general requirements to short-term leases (lease term of 12 months or less). These leases will be recognised on a straight-line basis as an expense on the Income Statement over the term. The Company has also elected not to recognise non-lease components separately from lease components for those classes of assets in which non-lease components are not significant with respect to the total value of the arrangement.

Right-of-use (ROU) assets comprise the initial measurement of the corresponding lease liability, plus lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred.

ROU assets are subsequently measured using the cost model by charging depreciation to profit and loss over the term of the lease and adjusting for any remeasurement of the lease liability or impairment of the asset.

A provision is recognised if the Company incurs an obligation for costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. If the costs incurred relate to a ROU asset, the costs are included in the related ROU asset.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at commencement date, adjusting for any remeasurement of the lease liability if it can be readily determined, and discounted by using the rate implicit to the lease. If this rate cannot be readily determined, the lessee utilises the incremental borrowing rate of interest required to finance the expected payments during the lease term. Lease payments included in the initial measurement comprise fixed payments, less any incentives receivable; variable lease payments that depend on an index or rate; amounts expected to be paid under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments for penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

The Company determines the lease term as the non-cancellable term of the contract, together with any period covered by an extension (or termination) option whose exercise is at the option of the Company and is assessed to be reasonably certain that it will be exercised (or will not be exercised). The Company considers all accessible information by asset class in the industry and evaluates relevant factors that create an economic incentive to exercise an option.

Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. The Company also remeasures the carrying amount to reflect any reassessment or lease modifications. Interest on the liability will be charged as an expense on the Income statement.

As the Company is part of a wider Comcast Group financing facility, the Company has concluded that discount rates derived from Comcast's borrowing cost by term, represent the Company's best estimate of its incremental borrowing rate in the context of the wider Group. The Company have also applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Company has applied judgement in determining whether or not certain service arrangements are or contain a lease, taking into account IFRS 16 guidance, and the Group accounting policies of its ultimate parent, regarding whether there is an identified asset, and whether the asset is specified, in order to determine if there is a leased asset requiring recognition under IFRS 16.

2. Significant accounting policies (continued)

g) 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.

h) Foreign currency remeasurement

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

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

i) FRS 101 exemptions

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

- The requirements of IAS 1 'Presentation of financial statements' and IAS 7 'Statement of cash flows' to present a statement of cash flows and related notes;
- The requirements of IAS 8 'Accounting policies, changes in accounting estimates and errors' to disclose information in relation to accounting standards which are issued but not yet effective;
- The requirements of IAS 24 'Related party disclosures' relating to key management compensation;
- The requirements of IAS 24 'Related party disclosures' to disclose related party transactions between two or more members of a group.
- The requirements of IAS 1 'Presentation of financial statements' to disclose a third balance sheet at the beginning of the preceding period due to the material impact of a prior-period error or change in accounting policy.

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

j) Critical judgements and key sources of estimation uncertainty

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

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

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

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

3. Revenue

	2022 £'000	2021 (restated - note 16 £'000
Total revenue	**1,732**	1,999

Syndication revenue is derived from the distribution of Sky News to international territories.

Notes to the financial statements (continued)

4. Operating expense

	2022 £'000	2021 (restated - note 16) £'000
Programming	**1,346**	2,291
Total operating expense	**1,346**	2,291

5. Investment income

	2022 £'000	2021 £'000
Intercompany interest receivable	**25**	-
	25	-

Details of interest bearing loans are included in notes 10 and 11.

6. Profit/(loss) before tax

Foreign exchange

Foreign exchange differences recognised in the Income Statement during the year amounted to a profit of £259,000 (2021 restated: loss of £69,000).

Audit fees

Amounts paid to the auditor for the audit of the Company's annual financial statements of £23,760 (2021: £15,000) were borne by another Group subsidiary in both the current and prior year. No amounts for other services have been paid to the auditor.

Employee services

There were no employee costs during the year, as the Company had no employees, other than the Directors. Services are provided by employees of other companies within the Sky 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

7. Tax

a) Tax recognised in the Income Statement

	2022 £'000	2021 (restated - note 16) £'000
Current tax expense		
Current year	**65**	131
Adjustment in respect of prior years	**23**	19
Total current tax charge	**88**	150
Total deferred tax charge	**-**	-
Tax expense	**88**	150

b) Reconciliation of effective tax rate

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

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

	2022 £'000	2021 (restated - note 16) £'000
Profit/(loss) before tax	**670**	(361)
Profit/(loss) before tax multiplied by rate of corporation tax in the UK of 19.0% (2021: 19.0%)	**127**	(69)
Effects of:		
Non-taxable income	**(20)**	-
Group relief surrendered/(claimed) for no consideration	**(37)**	84
Losses carried forward	**-**	-
Deferred tax asset not recognised	**(5)**	147
Adjustment in respect of prior year	**23**	(12)
Tax	**88**	150

All tax relates to overseas tax.

At 31 December 2022, there was an unrecognised deferred tax asset of £1,947,000 relating to unrelieved foreign tax and fixed asset temporary differences. Deferred tax assets have not been recognised at 31 December 2022 on the basis that management do not conclude it probable that there will be suitable taxable profits against which these assets can be utilised.

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

8. Right-of-use assets

	Transponders £'000	Total £'000
Cost		
At 31 December 2021 (restated - note 16)	**1,500**	**1,500**
Additions	-	-
At 31 December 2022	**1,500**	**1,500**
Depreciation		
At 31 December 2021 (restated - note 16)	**250**	**250**
Charge for the year	569	569
At 31 December 2022	**819**	**819**
Carrying amounts		
At 31 December 2021 (restated - note 16)	1,250	1,250
At 31 December 2022	**681**	**681**

The total cash outflow for leases in the year is £809,130 (2021 restated: £518,338).

9. Investment in associates

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

	2022 £'000	2021 £'000
Investments in associate undertakings	**1**	1

Investments in associates shown above represent the cost of the ordinary shares of the associate undertakings plus non-current loans advanced, less provisions made for any impairment in value.

Details of all investments of the Company are as follows:

Name	Country of incorporation	Registered address	Description and proportion of shares held (%)
Direct holdings			
Sky Channel SA	Belgium	1 Boulevard Charlemagne, Brussel Internat. Press C.,1041	1 ordinary share of €49.60 (0.08%)

10. Trade and other receivables

	2022 £'000	2021 (restated - note 16) £'000
Current		
Gross trade receivables	**408**	102
Less: loss allowance	**(58)**	(84)
Net current trade receivables	**350**	18
Amounts falling due within one year:		
Amounts receivable from other group companies	**7,500**	3,923
VAT	**13**	317
Accrued income	**625**	1,464
Other receivables	**-**	160
Current trade and other receivables	**8,488**	5,882
Non-current		
Amounts receivable from other Group companies	**500**	494
Total non-current trade and other receivables	**500**	494
Total trade and other receivables	**8,988**	6,376

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

The Company measures a loss allowance account on the contract asset due from customers using a lifetime expected credit loss approach under IFRS 9, taking into account historical churn experience and future prospects.

The Company regularly reviews and updates its estimation techniques, assumptions and calculations as required, the net Income Statement and Balance Sheet impact of which was not material in the year.

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

	2022 £'000	2021 £'000
Not past due date	**427**	18
Up to 30 days past due date	**11**	-
30 to 60 days past due date	**8**	-
	446	18

10. Trade and other receivables (continued)

Loss allowance

	2022 £'000	2021 £'000
Balance at beginning of year	**84**	232
Increase/(Decrease) of loss amount recognised in Income Statement	**(26)**	(148)
Balance at end of year	**58**	84

Amounts receivable from other group companies

Amounts due from other Group companies as at 31 December 2022 are £4,754,000 (2021 restated: £3,923,000) represent trade receivables, these are unsecured, non-interest bearing and are repayable on demand.

In June 2013, the Company entered a loan agreement of £5,000,000 with Sky Operational Finance Limited, whereby the Company was lender and Sky Operational Finance Limited was borrower. This loan is repayable on demand and bears interest at a rate of SONIA - 0.081%. At 31 December 2022 the balance of the loan was £500,000 (2021: £494,000).

The Company is a pooling participant in the multi currency notional pool operated by CCIL.

The amounts receivable due from Comcast Capital International Limited ("CCIL") were £2,746,000 (2021: £nil). As at 31 December 2022 for any deposited amounts by pooling participants the followings rates apply:

Currency	Reference rate	Participant deposit	Participant funding
Swiss Francs	1 month SARON	Reference rate minus 11 basis points (floor @ 0%)	Reference rate plus 60 basis points
Euros	1 month EURIBOR	Reference rate minus 11 basis points (floor @ 0%)	Reference rate plus 60 basis points
Pounds Sterling	1 month SONIA	Reference rate minus 11 basis points (floor @ 0%)	Reference rate plus 60 basis points
US Dollars	1 month $ Libor	Reference rate minus 11 basis points	Reference rate plus 60 basis points

11. Trade and other payables

	2022	2021 (restated - note 16)
	£'000	£'000
Current		
Trade payables	**81**	160
Amounts payable to parent company	**219**	272
Amounts payable to other group companies	**4,366**	4,451
Accruals	**967**	777
Other payables	**2**	-
Total current trade and other payables	**5,635**	5,660

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

There are amounts due to other group companies totalling £4,366,000 (2021 restated: £4,395,000); these balances are not-interest bearing and are repayable on demand.

The Company owes Comcast Capital International Limited ("CCIL") £nil (2021: £56,000). The Company is a pooling participant in the multi currency notional pool operated by CCIL and thus any overdrawn accounts are funded by CCIL.

As at 31 December 2022, for pooling participants the followings rates apply:

Currency	Reference rate	Participant deposit	Participant funding
Swiss Francs	1 month SARON	Reference rate minus 11 basis points (floor @ 0%)	Reference rate plus 60 basis points
Euros	1 month EURIBOR	Reference rate minus 11 basis points (floor @ 0%)	Reference rate plus 60 basis points
Pounds Sterling	1 month SONIA	Reference rate minus 11 basis points (floor @ 0%)	Reference rate plus 60 basis points
US Dollars	1 month $ Libor	Reference rate minus 11 basis points	Reference rate plus 60 basis points

Notes to the financial statements (continued)

12. Financial Instruments

(a) Carrying value and fair value

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

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

	Financial Assets at Amortised Cost £'000	Financial Liabilities at Amortised Cost £'000	Total carrying value £'000	Total fair values £'000
At 31 December 2022				
Trade and other payables	**-**	**(5,635)**	**(5,635)**	**(5,635)**
Obligations under operating leases	**-**	**(387)**	**(387)**	**(387)**
Trade and other receivables	**8,988**	**-**	**8,988**	**8,988**
Cash and cash equivalents	**2,148**	**-**	**2,148**	**2,148**
At 31 December 2021 (restated - note 16)				
Trade and other payables	-	(5,660)	(5,660)	(5,660)
Obligations under operating leases	-	(1,126)	(1,126)	(1,126)
Trade and other receivables	6,376	-	6,376	6,376
Cash and cash equivalents	4,683	-	4,683	4,683

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standards terms and conditions and which are traded on active liquid markets is determined with reference to quoted market prices;
- The fair value of financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The differences between carrying values and fair values reflect unrealised gains or losses inherent in the financial instruments, based on valuations as at 31 December 2022 and 31 December 2021. The volatile nature of markets means that values at any subsequent date could be significantly different from the values reported above.

Notes to the financial statements (continued)

13. Financial risk management objectives and policies

The Comcast Group's Treasury function is responsible for raising finance for the Company's operations and managing credit risk. The Sky Group Treasury function manages liquidity, foreign exchange and interest rate. 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.

Capital Risk Management

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

Liquidity risk

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

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

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 2022					
Non-derivative financial liabilities					
Lease liabilities	**199**	**188**	**-**	**-**	**387**
Trade and other payables	**5,635**	**-**	**-**	**-**	**5,635**

	Less than 12 months £'000	Between one and two years £'000	Between two and five years £'000	More than five years £'000	Total £'000
At 31 December 2021 (restated - note 16)					
Non-derivative financial liabilities					
Lease liabilities	451	675	-	-	1,126
Trade and other payables	5,660	-	-	-	5,660

Credit risk

The Company is exposed to credit risk amounting to cash and cash equivalents of £2,148,000 (2021: £4,683,000).

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

13. Financial risk management objectives and policies (continued)

Foreign exchange risk

The Company's revenues are substantially denominated in pounds sterling, although a significant proportion of operating costs are denominated in US dollars. These costs relate mainly to the Company's programming contracts with US suppliers.

Foreign exchange sensitivity

The following analysis details the Company's sensitivity to movements in pounds sterling and against all currencies in which it has significant transactions. The sensitivity analysis includes only outstanding foreign currency denominated financial instruments and adjusts their translation at the year-end for a 25% change in foreign currency rates.

- A 25% strengthening in pounds sterling against the dollar would have a beneficial impact on profit of £73,575 (2021 restated: adverse impact of £83,410).
- A 25% weakening in pounds sterling against the dollar would have an adverse impact on profit of £73,575 (2021 restated: beneficial impact of £83,410).
- A 25% strengthening in pounds sterling against the Australian dollar would have £nil impact on profit (2021 restated: adverse impact of £122,577).
- A 25% weakening in pounds sterling against the Australian dollar would have £nil impact on profit (2021 restated: benefitial impact of £122,577).
- A 25% strengthening in pounds sterling against the Singapore dollar would have an adverse impact on profit of £103,780 (2021 restated: adverse impact of £93,236).
- A 25% weakening in pounds sterling against the Singapore dollar would have a benefitial impact on profit of £103,780 (2021 restated: beneficial impact of £93,236).

The sensitivity analyses provided are a plausible approximation of movements in a year. They are hypothetical only and should be used with caution as the impacts provided are not necessarily indicative of the actual impacts that would be experienced because the Company's actual exposure to market rates is constantly changing as the Company's portfolio of debt, foreign currency and equity contracts changes.

In addition, the effect of a change in a particular market variable on fair values or cash flows is calculated without considering interrelationships between the various market rates or mitigating actions that would be taken by the Company. The changes in valuations are estimates of the impact of changes in market variables and are not a prediction of future events or anticipated gains or losses.

Interest rate risk

The Company has financial exposure to UK and European interest rates arising from interest rate derivatives transacted on behalf of the Sky Group and various loan balances with other companies within the Sky Group. The Sky Group's Treasury function monitors the Company's exposure to fluctuations in interest rates.

In 2022, LIBOR to ARR (Alternative Reference Rate) were transitioned in alignment with ISDA (International Swaps and Derivatives Association). During the year, the Company amended its loan arrangements which referenced Sterling LIBOR and replaced these with SONIA as the benchmark interest rate.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative financial instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year.

A one percentage point increase or decrease represents management's assessment of the reasonably possible change in interest rates. For each one-hundred basis point rise or fall in interest rates as at 31 December 2022, and all other variables were held constant, the Company's profit for the year ended 31 December 2022 would increase/decrease by £5,000 (2021: £5,000).

The sensitivity analyses provided are hypothetical only and should be used with caution as the impacts provided are not necessarily indicative of the actual impacts that would be experienced because the Company's actual exposure to market rates changes as the Company's portfolio of debt, cash and foreign currency contracts changes. In addition, the effect of a change in a particular market variable on fair values or cash flows is calculated without considering interrelationships between the various market rates or mitigating actions that would be taken by the Company. The changes in valuations are estimates of the impact of changes in market variables and are not a prediction of future events or anticipated gains or losses.

Notes to the financial statements (continued)

14. Share capital

	2022	2021
	£	£
Authorised, called-up and fully paid		
200 (2021: 200) Ordinary shares of £1 (2021: £1) each	**200**	200

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

15. 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 (registered address). Or at :https://www.cmcsa.com/investors.

16. Prior period restatement

In preparing the financial statements for the year it was identified that the right of use assets, and associated expenses and liabilities, had been incorrectly calculated, and a separate right of use asset had been incorrectly recognised in the Company, which should have been recognised in another Group company. This was a material error in the prior-year and, as a result, the comparative figures have been restated to reflect these transactions.

It was also identified that the accrued income and associated revenue had been understated in the prior-period due to year-end unbilled income not being correctly recognised. This was a material error in the prior-year and, as a result, the comparative figures have been restated to reflect these transactions.

	2021	2021	2021	2021
	As previously stated	**Adjustment 1**	**Adjustment 2**	**Restated balance**
		(Leases and expenses)	**(Accrued income)**	
	£'000	**£'000**	**£'000**	**£'000**
Right-of-use assets	1,929	(679)	-	1,250
Trade and other receivables (current)	5,344	107	431	5,882
Trade and other payables	(5,172)	(488)	-	(5,660)
Lease liabilities (short-term)	(430)	(21)	-	(451)
Lease liabilities (long-term)	(1,520)	845	-	(675)
Operating expense	2,100	191	-	2,291
Finance costs	102	(33)	-	69
Tax	24	126	-	150
Opening reserves (1 January 2021)	(6,260)	(48)	-	(6,308)
Revenue	(1,568)	-	(431)	(1,999)