INTERNATIONAL CHANNEL PACK DISTRIBUTION LIMITED

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

Registered number: 09448007

Directors and Officers

For the year ended 31 December 2021

Directors

International Channel Pack Distribution Limited (the "Company's") present Directors and those who served during the year are as follows:

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

Secretary
Sky Corporate Secretary Limited

Registered office
Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

Auditor
Deloitte LLP
Statutory Auditor
London
United Kingdom

Strategic and Directors' Report

Strategic Report

The Directors present their Strategic and Directors' report on the affairs of the Company, together with the audited financial statements and Auditor's Report for the year ended 31 December 2021 with comparatives for the year to 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).

The company ceased trading during the year. Accordingly, the Directors have adopted a basis of preparation other than that of going concern in preparing the financial statements.

Business review and principal activities

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

The Company's principal activities were to aggregate and distribute linear OTT content in European territories, via foreign language subscription packs. The Company operated a revenue share model with a third party, device platforms and the content providers. The contract under which this service was operated was terminated effective 1 December 2018 and as at the date of signing these financial statements the Directors have no current plans to enter into a new agreement.

Financial review and dividends

The audited financial statements for the year ended 31 December 2021 are set out on pages 8 to 16.

The loss before tax for the year was €50,171 (2020: profit of €38,000). There was no revenue (2020: €nil) and the value of operating expenses for the year amounts to €nil (2020: €nil). Other income of €nil (2020: €38,000) in the year was caused by foreign exchange movements and release of over-accrued cost. The Company uses a cost-plus revenue model, in which costs are recharged to Sky UK Limited.

The Directors do not recommend the payment of a dividend for the year ended 31 December 2021 (2020: €nil).

No dividends were declared or proposed by the Directors during the current year or prior year.

Key performance indicators (KPIs)

The Sky Group ("the Group") manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the Company.

Principal risks and uncertainties

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

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 Sky 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.

Approved by the Board and signed on its behalf,

S Robson
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

7 September 2022

Strategic and Directors' Report

Directors' Report

The Directors who served during the year and up to the date of signing are shown on page 1.

The Directors have not recommended a dividend payment for the year ended 31 December 2021 (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 Director's report.

Impact 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.

Going concern

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

The Company ceased trading prior to the balance sheet date. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. Adopting this approach had no impact on the results or the carrying value of assets and liabilities. Provision has also been made for any contractual commitments that have become onerous at the balance sheet date, where appropriate.

The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

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.

Auditor

In accordance with the provisions of Section 418 of the Companies Act 2006, each of the persons who are Directors of the Company at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them was approved by the Board of Directors on 7 September 2022.

Approved by the Board and signed on its behalf by,

S Robson
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

7 September 2022

Statement of Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 INTERNATIONAL CHANNEL PACK DISTRIBUTION LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of International Channel Pack Distribution Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of which comprise:

- the income statement
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

Basis for opinion

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

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

Emphasis of matter - Financial statements prepared other than on a going concern basis

We draw attention to note 1(b) in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

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.

Independent Auditor's report to the members of International Channel Pack Distribution Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Employment Law, the 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 industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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.

Independent Auditor's report to the members of International Channel Pack Distribution Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

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

7 September 2022

Income Statement

For the year ended 31 December 2021

	Note	2021 €'000	2020 €'000
Other income/(expense)	2	**(51)**	38
(Loss)/profit before tax	3	**(51)**	38
Tax	4	**-**	(7)
(Loss)/profit for the year attributable to equity shareholder		**(51)**	31

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

For the year ended 31 December 2021 and the year ended 31 December 2020, the Company did not have any other items of comprehensive income and therefore no separate Statement of Comprehensive Income has been prepared.

The results of the entity are not considered to result from continued operations as the Company is not considered to be a going concern, see note (1b).

Balance Sheet

As at 31 December 2021

	Note	**2021** **€'000**	2020 €'000
Current assets			
Trade and other receivables	5	-	305
Total current assets		-	305
Total assets		-	305
Current liabilities			
Trade and other payables	6	**322**	569
Current tax liabilities	4	-	7
Total current liabilities		**322**	576
Net current liabilities		**(322)**	(271)
Total liabilities		**322**	576
Net liabilities		**(322)**	(271)
Share capital	7	-	-
Reserves		**(322)**	(271)
Total equity attributable to equity shareholder		**(322)**	(271)
Total liabilities and shareholder's equity		-	305

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 International Channel Pack Distribution Limited, registered number 09448007, were approved by the Board of Directors on 7 September 2022 and were signed on its behalf by:

S Robson
Director

7 September 2022

Statement of Changes in Equity

For the year ended 31 December 2021

	Retained earnings €'000	Total shareholder's equity €'000
At 1 January 2020	**(302)**	**(302)**
Profit for the year	31	31
Total comprehensive income for the year	31	31
At 31 December 2020	**(271)**	**(271)**
Loss for the year	(51)	(51)
Total comprehensive expense for the year	(51)	(51)
At 31 December 2021	**(322)**	**(322)**

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

Notes to the financial statements

1. Accounting policies

International Channel Pack Limited (the "Company") is a private company limited by shares, incorporated in the United Kingdom, and registered in England and Wales. The address of the registered office is Grant Way, Isleworth, Middlesex, TW7 5QD, and registered number is 09448007. The Company's principal activities are set out in the Director's report.

a) Statement of compliance

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

b) Basis of preparation

As explained on page 3, the Company ceased trading prior to the balance sheet date. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. Adopting this approach had no impact on the results or the carrying value of assets and liabilities. Provision has also been made for any contractual commitments that have become onerous at the balance sheet date, where appropriate. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

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.

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.

c) IFRS 9 - 'Financial Instruments'

IFRS 9 introduces an impairment model based on expected credit losses. This requires a provision for impairment to be considered, and if required to be recorded, when the receivable is recognised, compared to IAS 39 which requires a provision to be made only when a loss event occurs. The Company elected to apply IFRS 9's simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. This involves, for example, the application of a provision matrix where trade receivables are grouped based on shared credit risk characteristics and ageing, or other appropriate methods given the nature of the receivable and requires an estimate of expected lifetime credit loss rates.

These loss rates are based on, inter alia, the entity's historical credit losses, adjusted for reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions, in order to derive an expectation. The application of this approach has not had a material impact on the provision for impairment of third party trade receivables compared to the Company's previous approach under IAS 39.
Amounts due from Group companies are typically non-interest bearing and are repayable on demand. With respect to impairment provisions under IFRS 9, an expectation of credit losses for intercompany loan receivables is required, taking into consideration similar factors as for third party balances above, in addition to entity's ability to trade and borrow as part of the wider Group, in order to settle the receivables. The IFRS 9 credit loss model has not had a material impact with respect to impairment of entity's intercompany receivables compared to the Company's previous approach under IAS 39.

IFRS 9 requires all minority equity investments to be held on the balance sheet at fair value, with associated movements incurred in either the income statement or in equity reserves. The Company has elected to recognise such movements in the income statement within financing cost.

The areas which impact the Company relate to e.g. the recognition of impairment provisions of customer receivables and other financial assets. IFRS 9 also contains new rules relating to hedge accounting, although the adoption of these is not mandatory and the Company will continue to apply IAS 39 hedge accounting policies.

IFRS 9 requires that amounts recognised in non-financial assets (basis adjustment) are recognised directly in equity, which were previously recognised in other comprehensive income under IAS 39 'Financial Instruments: Recognition and Measurement.'

Notes to the financial statements (continued)

1. Accounting policies (continued)

d) Financial assets and liabilities

Directly attributable transaction costs are included in the initial measurement of financial assets and liabilities only with respect to those assets and liabilities that are not subsequently measured at fair value through profit and loss. At each balance sheet date, the Company assesses whether there is any objective evidence that any financial asset is impaired. Financial assets and liabilities are recognised on the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the financial asset or liability. Financial assets are derecognised from the Balance Sheet when the Company's contractual rights to the cash flows expire or the Company transfers substantially all the risks and rewards of the financial asset. Financial liabilities are derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged, cancelled or expires.

i. Trade and other receivables

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

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

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) Tax, including deferred tax

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

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

Taxable temporary differences arising from goodwill and the initial recognition of assets or liabilities that affect neither accounting profit nor taxable loss are not provided for.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and adjusted to reflect an amount that is probable to be realised based on the weight of all available evidence. Deferred tax is calculated at the rates that are expected to apply in the period 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 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.

f) Foreign currency translation

The Company's functional currency and presentational currency is euros. Trading activities denominated in foreign currencies are recorded in euros at the applicable monthly exchange rates. Monetary assets, liabilities and commitments denominated in foreign currencies at the balance sheet date are recorded at the rates of exchange at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the date of the initial transaction. Gains and losses from the retranslation of assets and liabilities are included net in profit or loss for the year.

Notes to the financial statements (continued)

1. Accounting policies (continued)

g) 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).

h) Critical accounting policies and judgement and key sources of estimation uncertainty

Certain accounting policies are considered to be critical to the Company. An accounting policy is considered to be critical if, in the Directors' judgement, its selection or application materially affects the Company's financial position or results. The application of the Company's accounting policies may also require the use of estimation or judgement in a manner which may affect the Company's financial position or results.

There are not considered to be any critical accounting policies.

Key sources of estimation uncertainty

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

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

Notes to the financial statements (continued)

2. Other income/(expense)

	2021	2020
	€'000	€'000
Other income	-	38
Other expense	(51)	-
	(51)	38

The balances stated above mainly relate to foreign exchange gains/ (losses) on revaluation of assets and liabilities.

3. (Loss)/profit before tax

(Loss)/profit before tax is stated after employee costs and fees payable for statutory audit services.

Audit fees

Amounts paid to the auditor for the audit of the Company's annual financial statements of €11,800 (2020: €11,800) were borne by another Group subsidiary in 2021 and 2020. 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.

4. Tax

a) Tax recognised in the Income statement

	2021	2020
	€'000	€'000
Current year	-	7
Total current tax charge	-	7
Tax expense	-	7

4. Tax (continued)

b) Reconciliation of effective tax rate

The tax credit for the year is lower (2020: same as) than the credit (2020: charge) that would have been made using the standard rate of corporation tax in the UK (19%) applied to loss before tax. The applicable or substantively enacted effective tax rate of UK corporation tax for the year was 19% (2020: 19%). The differences are explained below:

	2021	2020
	€'000	€'000
(Loss)/profit before tax	**(51)**	38
(Loss)/profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	**(10)**	7
Group relief surrendered for € consideration	**10**	-
Tax	**-**	7

All tax relates to UK corporation tax and is settled by Sky UK Limited on the Company's behalf.

5. Trade and other receivables

	2021	2020
	€'000	€'000
Accrued income	**-**	305
Total current trade and other receivables	**-**	305

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

6. Trade and other payables

	2021	2020
	€'000	€'000
Amounts payable to other Group companies[(a)]	**322**	569
Total trade and other payables	**322**	569

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

a) Amounts payable to other group companies

Amounts due to other Group companies totalling €322,000 (2020: €569,000) represent trade payables; they are non-interest bearing and are repayable on demand.
During the year the Company has not early adopted any matters in relation to interest rate benchmark reform. The treasury function of the Sky Group is in the process of reviewing the implications of this reform (with changes effective during 2022) and its impact on loan balances held by the Company. All loans which are based on LIBOR or other rates which will not be available are scheduled to be moved to a comparable rate in 2022 as part of the implementation of the interest rate benchmark reform

Notes to the financial statements (continued)

7. Share capital

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

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

8. Transactions with related parties

a) Key management

The Company has a related party relationship with the Directors of the Company. At 31 December 2021, there were three (2020: three) members of key management, who were Directors of the Company. For further details see note 3.

b) Transactions with other group companies

The Company has related party transactions with other Group companies. In particular, it is normal practice for the Company to borrow cash from other Group companies as required. For details of amounts owed to other Group companies, see note 6. All amounts payable to other Group companies are non-interest bearing and are repayable on demand.

9. Ultimate parent undertaking

The Company is a wholly-owned subsidiary of Sky UK Limited, a company incorporated 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 ("Comcast"), a company incorporated in Pennsylvania, United States.

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 Comcast Investor Relations at Comcast Corporation, One Comcast Center, Philadelphia, PA 19103, USA Or at: https://www.cmcsa.com.