

SKY CP LIMITED

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

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Directors and Officers

For the year ended 31 December 2021

Directors

Sky CP Limited ("the Company") present Directors and those who served during the year are as follows:

P Clarke

P Gopalakrishnan (Appointed on 21 March 2022)

M Hammady (Resigned on 31 December 2021)

K Holmes

C Smith

F Stirling

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).

Business review and principal activities

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

The Company's principal activity is to research and develop products and services which will generate intellectual property for the Sky Group. It is responsible for the defining, designing, developing, industrialising, procuring, manufacturing, repairing, testing, maintaining and selling of Sky Group's Products and Software, and developing and supporting similar products, software and services in the future. Contained within these financial statements is Sky CP Limited - Sucursal em Portugal, a branch of Sky CP Limited.

Financial Review and Dividends

The audited financial statements for the year ended 31 December 2021 are set out on pages 14 to 46. During the year, the Company made a profit before tax of £260 million (2020: £258 million). Revenue has increased to £1,180 million (2020: £1,110 million) and operating expenses have increased to £921 million (2020: £860 million).

The balance sheet shows the Company's shareholder equity position at the year end was £2,620 million (2020: £2,363 million). The increase in the net assets during the year is primarily due to the total comprehensive income. The Directors expect that there will be no major changes in the Company's activities in the following year.

No dividend was paid to shareholders during the year.

Key performance indicators (KPIs)

The Sky Group manages its operations on a divisional basis. 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. The results of the Company are included in the KPIs of Comcast, the ultimate controlling party.

Principal risks and uncertainties

The Company's activities expose it to financial risks, namely credit risk, liquidity risk and foreign exchange risk.

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

Financial risk management objectives and policies

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

Credit risk

The balance sheet of the Company includes 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 intercompany balances of the Company are detailed in notes 13 and 14. Given the amount and nature of the receivables balance, no allowance account has been made under IFRS 9, and there has been no write-off during the year.

Liquidity risk

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

Foreign exchange risk

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates. The Company uses foreign exchange forward contracts to hedge these exposures. Refer to note 18 for further information.

Strategic and Directors' Report (continued)

Research and Development

The main research and development activities performed this year related to Virtual Reality Application, remote voice control, Smart Home devices, artificial intelligence to improve customer experience and interface and parental and security controls for applications. The Company incurred less than £1 million of research and development costs which did not meet the capitalisation criteria of IAS 38 Intangible Assets (2020: £2 million).

Employment policies

Organisation

Over the past year, the Company has continued in its efforts to make the Company a great place to work. The Company has continued to place particular focus on leadership capability, looking both at the Company's leaders of today and future leaders. The average monthly number of full-time equivalent persons employed by the Company during the year was 2,662 (2020: 1,984).

Managing and developing our people

Equal opportunities

At Sky we believe in equal opportunities and that everyone should have full and fair consideration for all vacancies, promotions, training and development. We work with employees who have disabilities to remove barriers from the working environment to allow them to maximise their potential.

Inclusion

It's our people that make Sky, Europe's leading entertainment company and we know that embracing different perspectives fosters innovation. Having diverse voices contribute to the decisions we take as a business helps us better anticipate and meet the needs of all our customers. Our ambition is to become the industry leader for inclusion, both on screen and behind the scenes. To help us achieve this we are focused on increasing the representation of people from BAME (Black, Asian, and minority ethnic) backgrounds in our business and remain committed to achieving gender parity. We are also actively supporting women to develop skills in traditionally underrepresented areas, with initiatives such as 'Get into Tech'. We support the aims of the UK legislation requiring organisations to publish their gender pay gap and are committed to equal pay.

Employee engagement

At Sky we listen to our people and encourage everyone to be involved. We know great ideas come from all corners of our business and it is part of our 'Believe in Better' spirit to harness those ideas for the benefit of our customers and our people. This year we gathered feedback from our teams through our People Survey. We achieved record levels of participation in the survey and we continue to achieve high levels of engagement, outperforming the 2018 employee engagement score.

Impacts of COVID-19

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

Strategic and Directors' Report (continued)

Corporate Governance Statement

Code of conduct

The Company is ultimately controlled by Comcast and operates together with Comcast's other subsidiaries as part of the Comcast Group. Comcast's Board of Directors is responsible for establishing corporate governance practices and policies for the Comcast Group. The Company has adopted the Comcast Code of Conduct, which is applicable to the whole Sky Group, and upholds the framework that stands for Comcast's ethos and the way it operates. Specifics of the Code are available at <https://www.cmcsa.com/corporate-governance>.

The Code of Conduct sets out the four core values that the Comcast Group is guided by: an entrepreneurial spirit; doing the right thing and acting with integrity; having respect for each other and giving back. It explains how these principles are put into practice within the Comcast Group of companies.

Sky employees also receive their own "Ways of Working" manual which details its values as a business and sets employee behavioural expectations. The Sky Group's policies may be found at <https://www.skygroup.sky/documents-policies>.

The Directors believe that the Comcast Code of Conduct, Sky's Ways of Working and the corporate governance arrangements described below represent the primary areas of the Company's corporate governance framework given that it operates as a wholly-owned subsidiary of Comcast Corporation. As a result, the Directors decided not to formally adopt a recognised code of corporate governance.

The Board

The Company's board (the "Board") comprises 5 directors as listed on page 1. The size, structure and composition of the Board is appropriate to meet the Company's strategic needs and challenges and reflects a balance in depth of skills and experience to promote effective decision making. The Directors did not receive remuneration for their role as statutory directors of the Company during the year because they are employees who receive remuneration for their employment with the Sky Group or Comcast Group.

Director responsibilities

The Company's embedded operating framework within the Comcast Group and Sky Group sets out the rules, policies and delegations of authority with which the Company complies. Clear lines of accountability and responsibility have been established to support decision making.

The Company delegates authority of day-to-day management to senior executives and engages leadership to set, approve and oversee the execution of the Company's and the Sky Group's business strategy. The Company follows Sky's Contract Standards and Approval Policies for approving contracts which reserves certain matters for Sky and/or Comcast. In some circumstances additional approvals from specific Sky or Comcast personnel are required. The Board meets on an ad hoc basis to consider the Company's activities and to review and approve strategic and other key decisions.

Opportunities & risks

To promote the long-term sustainable success of the Sky Group, Sky seeks to identify and capitalise on a broad range of opportunities whilst also mitigating risk. Sky has a formal risk management framework embedded within the business to support the identification and management of risk across the Sky Group. There is an ongoing monitoring process which is operated by the Sky Group risk team and supported by senior management across the Group, to identify and report on significant changes or new risks. The Sky Group, Risk and Assurance function assists the business to develop risk registers and consolidates these to support both Sky's day-to-day approach to risk and to form part of Comcast's year end risk requirements.

Strategic and Directors' Report (continued)

S172 Statement

Under section 172(1) of the Companies Act 2006 ("Section 172"), the Directors must act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term
- the interests of the Company's employees
- the need to foster the Company's business relationships with suppliers, customers and others
- the impact of the Company's operations on the community and the environment
- the desirability of the Company maintaining a reputation for high standards of business conduct
- the need to act fairly between members of the Company.

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

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

Our Employees

We communicate with our employees frequently and conduct employee engagement surveys. The Directors recognise that employees are central to our success. We celebrate diversity, equity and inclusion and seek to have a workforce that is inclusive and reflective of the diverse range of our customers and modern society.

The Company is proud of our community of volunteer employee networks who support our commitment to diversity and inclusion and help drive change. The Company is committed to equal opportunities in employment and recruitment and promoting the diversity of our workforce in respect of, among others, disability, race, gender, age, sexual orientation, pregnancy, marital status or fixed or part time status. We aim to ensure a transparent, professional working environment where employees treat each other with respect and in which all employment-related decisions (from recruitment through to career development and progression) are based on the individual's qualifications, ability, performance, skills and potential. Applications for employment by anyone with a physical or mental impairment are always fully considered, bearing in mind the abilities of the applicant concerned. For members of staff with a disability, or who become disabled during employment, every effort is made to ensure that their employment with the Group continues and that appropriate adjustments are considered and support provided, in line with our reasonable adjustment policy. In the event that a disabled employee is unable to continue in their current role after considering the adjustments available, we have a redeployment policy and process to provide support to help the employee secure an alternative role. It is the policy of the Sky Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be equal to that of other employees.

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

The average monthly number of employees subject to contracts of service employed by the Company during the year was 2,662 (2020: 1,984).

Strategic and Directors' Report (continued)

Our Partners

As part of the Comcast Group we understand the need to foster good relationships with our suppliers and our customers. We seek to offer the very best service to our customers. We use the highest editorial standards and have strong privacy protections. Our products are safe, easy and enjoyable to use. We seek to build successful long-term relationships with our partners. A critical part of doing business is partnering with others and we believe that partnerships are built on trust and mutual advantage. We interact honestly and with integrity in the marketplace and we expect our business partners to do the same.

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

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

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

Our Communities

As part of the Comcast Group, a global media and technology company, we are committed to using the power of our platforms, our people and our reach to create positive change and a more equitable society. By supporting local communities, our teammates, and our planet we can help create a world of open possibilities so that together we can build a future that benefits generations to come. We are focusing our efforts in the following areas:

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

Members

The Company is a wholly owned subsidiary of Sky UK Limited and is part of the Sky Group. The duties of the Directors are exercised in a way that is most likely to promote the success of the Company and Sky as a whole while also having regard to the factors outlined in Section 172 of the Companies Act 2006.

Strategic and Directors' Report (continued)

Streamlined Energy and Carbon Reporting

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

Sky follows three steps to become carbon neutral:

- **Measure** - we calculate our greenhouse gas emissions at the end of each financial year by calculating our Scope 1 and 2 CO₂e emissions (premises, company owned vehicles and refrigerant use) and Scope 3 emissions including business travel and waste sent to landfill.
- **Reduce** - we are committed to avoiding and reducing our emissions before offsetting to achieve our carbon neutral status. Performance against our targets can be reviewed in our Bigger Picture Impact Report.
- **Offset** - each year we offset our location-based Scope 1 and 2 emissions and selected Scope 3 emissions to make Sky a CarbonNeutral® Company across our operations. Carbon offsetting is compensating for your own, unavoidable emissions by financing an emission reduction project elsewhere. That finance purchases carbon credits, equivalent to one tonne of CO₂ each, which the emission reduction projects generate. These projects are audited by an independent third party.

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

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

Further information including a detailed breakdown of our Scopes 1, 2 and 3 emissions, our progress towards net zero carbon by 2030 and historic reporting can be found in our annual impact reports at <https://www.skygroup.sky/reports>.

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

Figures in the provided table are reflecting Sky Group and UK and Ireland only (the level at which the figures are monitored) and therefore will not agree to the revenue reported in these financial statements.

Strategic and Directors' Report (continued)

Streamlined Energy and Carbon Reporting (continued)

Methodology

We calculate our greenhouse gas emissions in carbon dioxide equivalent (CO₂e) for Scopes 1 and 2 according to the Greenhouse Gas Protocol Corporate Standard and associated guidance. We use the emission factors from the latest UK Government (DEFRA/BEIS) Greenhouse Gas Conversion Factors for Company Reporting (2021), IEA Statistics Data Service: Emission Factors (2021 edition) and the Association of Issuing Bodies: Version 1.0 2020 European Residual Mixes (2021 edition). Data for UK & Ireland includes Sky's Joint Ventures, small international offices and news bureaux and business activities in Portugal.

Our total gross CO₂e emissions include all Scope 1 and Scope 2 location-based greenhouse gas emissions; and our market-based emissions are those remaining after emissions factors from contractual instruments have been applied. Our energy providers retain, on our behalf, the Guarantees of Origin (GOs) and Renewable Energy Guarantee of Origin (REGOs). In addition, we offset our total gross emissions, including Scope 1, location-based Scope 2 and selected Scope 3 emissions, through the purchase of Voluntary Carbon Standard offsets. Our Scope 1 & 2 carbon emissions data and carbon intensity are subject to an annual independent assurance review, the results of which are published alongside our annual impact report.

For our full basis of reporting, please see our website <https://www.skygroup.sky/documents-policies>.

Approved by the Board and signed on its behalf by



C Smith
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

Date: 16 June 2022

Strategic and Directors' Report (continued)

Directors' Report

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

During the year ended 31 December 2021 the Directors proposed no dividend (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.

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.

Given the integrated nature of the Group's financial planning and treasury functions, the impact of COVID-19 on the Company's operations and funding requirements has been assessed at the Group level. The Directors expect that the businesses will continue to generate adequate cash flow from operating activities and believe that these cash flows, together with the Company's existing cash, cash equivalents and investments, and access to available borrowings under Sky Group's existing credit facilities, including the £6 billion revolving credit facility with Comcast, will be sufficient for the Company to meet its current and long-term liquidity and capital requirements.

The Company is in a net current liability position, however, the Company has received confirmation that Comcast intends to support the Company for a period of at least 12 months from the date of signing of these financial statements

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


Auditor

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

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

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them was approved by the Board of Directors on 16 June 2022.

Approved by the Board and signed on their behalf by:



C Smith
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

16 June 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.

Auditor's Report

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

Report on the audit of the financial statements

Opinion

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

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

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 25.

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.

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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of management's process for monitoring cash requirements for the company and for Sky Group;
- inspecting the letter of support obtained by management from Comcast Corporation, the ultimate parent, and evaluating the intent and ability to provide that support; and
- considering contradictory evidence for the appropriateness of the basis of preparation.

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.

Auditor's Report (continued)

Independent Auditor's report to the members of Sky CP Limited (continued)

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 and internal audit about their own identification and assessment of the risks of irregularities.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Employment Law, the Privacy and Electronic Communications Regulations 2003, the Communications Act 2003, the Broadcasting Act 1990, the Data Protection Act 2018 and the Bribery Act 2010.

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

As a result of performing the above, we identified the greatest potential for fraud in the capitalisation of internally generated intangible assets. We performed specific procedures to address this risk through:

- Performing walkthroughs and tests of controls to confirm our understanding of the process by which management assesses whether costs meet criteria to recognize an asset
- Evaluating a sample of projects to determine whether there is an identifiable asset that will generate future economic benefits and whether the projects have reached the development phase. Then evaluating a sample of capitalised costs to determine whether the costs related to development activities.

Auditor's Report (continued)

Independent Auditor's report to the members of Sky CP Limited (continued)

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

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, internal audit and in-house / external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception


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

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

We have nothing to report in respect of these matters.

Use of our report

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


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

17 June 2022

Income Statement

For the year ended 31 December 2021

	Notes	2021 £m	2020 £m
Revenue	2	1,180	1,110
Operating expense	3	(921)	(860)
Operating profit		259	250
Finance income	4	1	8
Profit before tax	5	260	258
Tax	7	(14)	(14)
Profit for the year attributable to equity shareholder		246	244

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

All results relate to continuing operations.

Statement of Comprehensive Income

For the year ended 31 December 2021

	Notes	2021 £m	2020 £m
Profit for the year attributable to equity shareholder		246	244
Other comprehensive income			
Amounts recognised directly in equity that may subsequently be recycled to the Income statement			
Gain on cash flow hedges (net of tax)	18	8	2
Amounts reclassified and reported in the income statement			
Loss/(gain) on cash flow hedges (net of tax)	18	-	(1)
Other comprehensive income for the year (net of tax)		8	1
Total comprehensive income for the year attributable to equity shareholder		254	245

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

All results relate to continuing operations.

Balance Sheet

As at 31 December 2021

	Notes	31 December 2021 £m	31 December 2020 Restated (note 25) £m	31 December 2019 Restated (note 25) £m
Non-current assets				
Intangible assets	8	906	645	590
Property, plant and equipment	9	200	167	154
Right-of-use assets	10	15	17	-
Trade and other receivables	13	1,897	1,384	868
Investments in subsidiaries	11	-	-	-
Derivative financial assets	17	2	-	-
		3,020	2,213	1,612
Current assets				
Cash and cash equivalents		4	1	-
Trade and other receivables	13	224	421	754
Derivative financial assets	17	5	-	-
		233	422	754
Total assets		3,253	2,635	2,366
Current liabilities				
Trade and other payables	14	549	225	210
Lease liabilities	16	2	2	-
Provisions	15	3	3	3
Derivative financial liabilities	17	2	13	7
		556	243	220
Non-current liabilities				
Trade and other payables	14	49	1	1
Lease liabilities	16	15	15	-
Provisions	15	1	1	-
Deferred tax liabilities	12	11	7	15
Derivative financial liabilities	17	1	5	4
		77	29	240
Total liabilities		633	272	460
Share capital	19	432	432	432
Reserves	20	2,188	1,931	1,694
Total equity attributable to equity shareholder	20	2,620	2,363	2,126
Total liabilities and shareholder equity		3,253	2,635	2,366

Balance Sheet (continued)

As at 31 December 2021

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

The financial statements of Sky CP Limited, registered number 09513259 were approved and authorised for issue by the Board of Directors on 16 June 2022 and were signed on its behalf by:



C Smith
Director

16 June 2022

Statement of Changes in Equity

For the year ended 31 December 2021

	Notes	Share capital £m	Hedging reserve £m	Retained earnings £m	Total shareholder's equity £m
At 1 January 2020		432	(1)	1,695	2,126
Profit for the year		-	-	244	244
Gains on cash flow hedges	18	-	1	-	1
Total other comprehensive income for the year		-	1	-	1
Total comprehensive income for the year		-	1	244	245
Cash flow hedge movements		-	(10)	-	(10)
Tax on items taken directly to equity	7	-	2	-	2
At 31 December 2020		432	(8)	1,939	2,363
Profit for the year		-	-	246	246
Gains on cash flow hedges	18	-	8	-	8
Total other comprehensive income for the year		-	8	-	8
Total comprehensive income for the year		-	8	246	254
Cash flow hedge movements		-	6	-	6
Tax on items taken directly to equity	7	-	(3)	-	(3)
At 31 December 2021		432	3	2,185	2,620

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

For a description of the nature and purpose of each equity reserve, see note 20.

Cash Flow Statement

For the year ended 31 December 2021

	Notes	2021 £m	2020 £m
Cash flows from operating activities			
Cash generated from operations	21	402	245
Net cash from operating activities		402	245
Cash flows used in investing activities			
Purchase of property, plant and equipment		(79)	(55)
Purchase of intangible assets		(318)	(187)
Net cash used in investing activities		(397)	(242)
Cash flows used in financing activities			
Cash payments for the principal portion of the lease liability		(2)	(2)
Net cash used in financing activities		(2)	(2)
Net increase in cash and cash equivalents		3	1
Cash and cash equivalents at the beginning of the year		1	-
Cash and cash equivalents at the end of the year		4	1

The Group considers overdrafts (repayable on demand) to be an integral part of its cash management activities and these are included in cash and cash equivalents for the purposes of the cash flow statement.

The accompanying notes are an integral part of this Cash Flow Statement.

All results relate to continuing operations.

Notes to the financial statements

1. Accounting policies

Sky CP 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, United Kingdom and registered number is 09513259.

a) Statement of compliance

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

b) Basis of preparation

The financial statements have been prepared on a going concern basis and on an historical cost basis, except for the remeasurement to fair value of certain financial assets and liabilities as described in the accounting policies below.

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

The Company has taken advantage of the exemption from preparing consolidated accounts afforded by section 401 of the Companies Act 2006, because it is a wholly-owned subsidiary of Comcast Corporation which prepares consolidated accounts which are publicly available (see note 24).

Given the integrated nature of the Sky Group's financial planning and treasury functions, the impact of COVID-19 on the Company's operations and funding requirements has been assessed at the Sky Group level. The Directors expect that the Sky Group businesses will continue to generate adequate cash flow from operating activities and believe that these cash flows, together with the Company's assets and available borrowings under its existing credit facilities, including the £6 billion revolving credit facility with Comcast, will be sufficient for the Company to meet its current and long-term liquidity and capital requirements.

The Company is in a net current liability position. However, the Company has received confirmation that Comcast intends to support the Company for a period of at least 12 months from the date of signing of these financial statements.

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

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

i. Intangible assets

Research expenditure is recognised in operating expense in the Income Statement as the expenditure is incurred. Development expenditure (relating to the application of research knowledge to plan or design new or substantially improved products for sale or use within the business) is recognised as an intangible asset from the point that the Company has the intention and ability to generate probable future economic benefits from the development expenditure, that the development is technically feasible and that the subsequent expenditure can be measured reliably. Any other development expenditure is recognised in operating expense as incurred. Other intangible assets which are acquired by the Company separately or through a business combination are initially stated at cost or fair value, respectively, less accumulated amortisation and impairment losses. Amortisation of an intangible asset begins when the asset is available for use, and is charged to the Income Statement through operating expense over the asset's useful economic life in order to match the expected pattern of consumption of future economic benefits embodied in the asset.

Principal useful economic lives used for this purpose are:

Internally generated intangible assets	3 to 5 years straight-line
Software development (external) and software licences	3 to 7 years straight-line
Other intangible assets	1 to 5 years straight-line

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

ii. Property, plant and equipment

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

The costs of assets comprise the following, where applicable:

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

Notes to the financial statements (continued)

1. Accounting policies (continued)

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

Property, plant and equipment (continued)

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

Freehold buildings	25 to 40 years
Equipment, furniture and fixtures	3 to 20 years
Leasehold improvements	Lesser of lease term and the useful economic life of the asset

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. To the extent that the financing for a qualifying asset is part of the Sky Group's general borrowings, the interest cost to be capitalised is calculated based upon the weighted average cost of borrowing to the Sky Group (excluding the interest on any borrowings specific to any qualifying assets). This is then applied to the expenditures on the asset. All other borrowing costs are recognised in profit or loss in the period to which they relate.

d) Derivative financial instruments and hedging activities

The Company uses derivative financial instruments to hedge its exposure to fluctuations in foreign exchange rates. Derivatives are held at fair value from the date on which a derivative contract is entered into. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under IFRS 13 "Fair Value Measurement". The Company calculates a separate credit valuation adjustment ('CVA') or debit valuation adjustment ('DVA') for each derivative based upon the net position for each counterparty relationship. The Company calculates the CVA where it has a net asset position using a quoted credit default swap curve for the counterparty and calculates the DVA where it has a net liability position using an industry proxy credit default swap curve for the Company. The fair value of derivative financial instruments is calculated by discounting future cash flows with reference to the benchmark LIBOR curve, adjusted by the relevant credit default swap curve.

Certain derivatives held by the Company which relate to highly probable forecast transactions ("hedged items"), which meet qualifying criteria under IFRS 9 "Financial Instruments" (IFRS 9), are designated as cash flow hedges. Other derivatives which hedge changes in fair value of fixed rate financial instruments and meet the requirements of IFRS 9 are designated as fair value hedges. Certain other derivatives held by the Company do not meet the qualifying criteria for recognition for accounting purposes as hedges, despite this being their economic function. Changes in the fair values of these derivatives are recognised immediately in the income statement. The Company does not hold or issue derivatives for speculative purposes.

i. Derivatives that qualify for cash flow hedge accounting

Changes in the fair values of derivatives that are designated as cash flow hedges ("cash flow hedging instruments") are initially recognised in the hedging reserve, to the extent that the hedges are effective, ineffective portions are recognised in profit or loss immediately. Amounts accumulated in the hedging reserve are subsequently recognised in the initial cost or other carrying value of the non-financial asset or liability on the balance sheet and in the Income Statement when the related hedged item is recognised in the Income Statement. At inception, the effectiveness of the Company's cash flow hedges is assessed through a comparison of the principal terms of the hedging instrument and the underlying hedged item. The ongoing effectiveness of the Company's cash flow hedges is assessed using the dollar-offset approach, with the expected cash flows of hedging instruments being compared to the expected cash flows of the hedged items. This assessment is used to demonstrate that each hedge relationship is expected to be highly effective on inception, has been highly effective in the year and is expected to continue to be highly effective in future years. The measurement of hedge ineffectiveness for the Company's hedging instruments is calculated using the hypothetical derivative method, with the fair values of the hedging instruments being compared to those of the hypothetical derivative that would result in the designated cash flow hedge achieving perfect hedge effectiveness. The excess of the cumulative change in the fair value of the actual hedging instrument compared to that of the hypothetical derivative is deemed to be hedge ineffectiveness, which is recognised in the Income Statement. The Company uses a range of 80% to 125% for hedge effectiveness, in accordance with IFRS 9, and any relationship which has effectiveness outside this range is deemed to be ineffective and hedge accounting is suspended.

When a cash flow hedging instrument expires, is terminated or is exercised, or if a hedge no longer meets the qualifying criteria for hedge accounting, any cumulative gain or loss existing in the hedging reserve at that time remains in the hedging reserve and is recognised in the initial cost or other carrying amount of a non-financial asset or liability on the balance sheet provided that the underlying transaction is still expected to occur. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in the hedging reserve is immediately recognised in the Income Statement and all future changes in the fair value of the cash flow hedging instruments are immediately recognised in the Income Statement. When a cash flow hedging instrument expires, is terminated or is exercised, or if a hedge no longer meets the qualifying criteria for hedge accounting, any cumulative gain or loss existing in the hedging reserve at that time remains in the hedging reserve provided that the underlying transaction is still expected to occur. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in the hedging reserve is immediately recognised in the Income Statement and all future changes in the fair value of the cash flow hedging instruments are immediately recognised in the Income Statement.

Notes to the financial statements (continued)

1. Accounting policies (continued)

e) 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 recognised 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 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.

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.

iv. Borrowings

Borrowings are recorded as the proceeds received, net of direct issue costs. Finance charges, including any premium payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Income Statement using the effective interest method and are added to the carrying amount of the underlying instrument to which they relate, to the extent that they are not settled in the year in which they arise.

f) 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.

g) Impairment

At each balance sheet date, in accordance with IAS 36 "Impairment of Assets", the Company reviews the carrying amounts of all its assets, financial assets (see accounting policy e) and deferred taxation (see accounting policy l) to determine whether there is any indication that any of those assets have suffered an impairment loss.

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

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

h) Provisions

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

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

Notes to the financial statements (continued)

1. Accounting policies (continued)

i) 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.

The Company's main sources of revenue are recognised as follows:

- Hardware and service revenue is recognised when the goods or service are delivered.
- Advertising sales revenue is recognised when the advertising is broadcast.
- Intellectual Property license fee revenue is recognised, net of any discount given, when the relevant goods or service are provided.

j) Employee benefits

Wages, salaries and social security contributions

Wages, salaries, social security contributions, bonuses payable and non-monetary benefits for current employees are recognised in the Income Statement as the employees' services are rendered.

Where the Company provides pensions to eligible employees through defined contribution schemes, the amount charged to the Income Statement in the year represents the cost of contributions payable by the Company to the schemes in exchange for employee services rendered in that year. The assets of the schemes are held independently of the Company.

Termination benefits are recognised as a liability at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs, such termination being before the normal retirement date or as the result of an offer to encourage voluntary redundancy.

The Company issues equity-settled share-based payments to certain employees, using shares of its ultimate parent undertaking, which are measured at fair value and recognised as an expense in the Income Statement with a corresponding increase in liabilities to the ultimate parent undertaking.

The fair values of these payments are measured at the dates of grant using option-pricing models, taking into account the terms and conditions upon which the awards are granted. The fair value is recognised over the period during which employees become unconditionally entitled to the awards, subject to the Company's estimate of the number of awards which will be forfeited, either due to employees leaving the Company prior to vesting or due to non-market based performance conditions not being met. Where an award has market-based performance conditions, the fair value of the award is adjusted for the probability of achieving these via the option pricing model. The total amount recognised in the Income Statement as an expense is adjusted to reflect the actual number of awards that vest, except where forfeiture is due to the failure to meet market-based performance measures. In the event of a cancellation, whether by the Company or by a participating employee, the compensation expense that would have been recognised over the remainder of the vesting period is recognised immediately in the income statement.

Deferred or contingent payments (often referred to as earn-out agreements), arising in business combinations, which are linked to the future employment of previous shareholders in the post-completion period, are recognised as employee remuneration costs in operating expense, whereby the expected fair value of subsequent payments is accrued in accordance with IAS 19. Employee remuneration is presented in operating activities in the cash flow statement.

k) Leases

IFRS 16 removed the distinction between operating and finance leases and requires the recognition of a non-current asset representing the right to use the leased item, and a loan obligation for future lease payables, for all leases. The Company has elected to not apply the general requirements to short-term leases (lease term of 12 months or less). These leases are 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, 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.

Notes to the financial statements (continued)

1. Accounting policies (continued)

k) Leases (continued)

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.

Lessor

When the Company is a lessor, the leases are classified as finance or operating leases. If the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Assets which are provided under operating lease arrangements are recognised as assets within property, plant and equipment. The assets remain in the economic ownership of the Group for the duration of the lease, and are depreciated over their useful economic lives. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

At commencement of the lease, assets under finance lease arrangement are derecognised from property, plant and equipment. Amounts due from lessees under finance leases are recognised as receivables at the amount of the net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return.

l) 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 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.

m) Distributions to equity shareholders

Dividends are recognised in the retained earnings reserve in the year in which they are declared.

Notes to the financial statements (continued)

1. Accounting policies (continued)

n) Foreign currency translation

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

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

o) 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)

p) 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.

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

(i) Tax, including deferred tax (see notes 7 and 12)

The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

Provisions for tax contingencies require management to make judgements and estimates in relation to tax audit issues and exposures. Amounts accrued are based on management's interpretation of country-specific tax law and the likelihood of settlement. Tax benefits are not recognised unless it is probable that the tax positions will be sustained. Once considered to be probable, management reviews each material tax benefit to assess whether a provision should be taken against full recognition of the benefit on the basis of the likely resolution of the issue through negotiation and/or litigation. The amounts recognised in the financial statements in respect of each matter are derived from the Company's best estimation and judgement, as described above. However, the inherent uncertainty regarding the outcome of these items means the eventual resolution could differ from the provision and in such event the Company would be required to make an adjustment in a subsequent year which could have a material impact on the Company's profit and loss and/or cash position.

The key area of judgement in respect of deferred tax accounting is the assessment of the expected timing and manner of realisation or settlement of the carrying amounts of assets and liabilities held at the balance sheet date. In particular, assessment is required of whether it is probable that there will be suitable future taxable profits against which any deferred tax assets can be utilised.

Notes to the financial statements (continued)

1. Accounting policies (continued)

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

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

The assessment of the useful economic lives of these assets requires judgement. Depreciation and amortisation is charged to the Income Statement based on the useful economic life selected, which requires an estimation of the period and profile over which the Company expects to consume the future economic benefits embodied in the assets. The Company reviews its useful economic lives on at least an annual basis.

Determining whether the carrying amount of these assets has any indication of impairment also requires judgement. If an indication of impairment is identified, further judgement is required to assess whether the carrying amount can be supported by, for example, the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate, where applicable.

Assessing whether assets meet the required criteria for initial capitalisation requires judgement. This requires a determination of whether the assets will result in future benefits to the Company. In particular, internally generated intangible assets must be assessed during the development phase to identify whether the Company has the ability and intention to complete the development successfully.

Determining the costs of assets to be capitalised requires judgement. Specifically, judgement and estimation is required in determining the amount of duties and non-refundable taxes, probable trade discounts and rebates, and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management (including relevant delivery and logistics costs to the customer's premises) to be allocated to the asset.

(iii) Leases (see note 16)

Lease terms used in the calculation of right-of-use assets and lease liabilities are estimated. The term is based on the non-cancellable period, including periods covered by options to extend the lease term or terminate, where exercise is assessed to be reasonably certain on an individual lease basis.

As the Company is part of a wider Sky/Comcast financing facility, the Company has concluded that discount rates provided by Comcast and derived from Comcast's borrowing cost by term, represents 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.

Key sources of estimation uncertainty

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

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

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

2. Revenue

	2021	2020
	£m	£m
Hardware and service	507	490
Advertising	37	26
Intellectual Property licence fee	636	594
	<u>1,180</u>	<u>1,110</u>

Revenue arises from goods and services provided to the UK.

During the period we reassessed the disaggregation of revenue between streams to better reflect the underlying goods and services provided, and the way the business is managed. This resulted in the reclassification of £104m of revenue from Intellectual Property licence fee to Hardware and Service for 2020.

Notes to the financial statements (continued)

3. Operating expense

	2021	2020
	£m	£m
Sales, general and administration	428	355
Costs directly attributable to sales	493	505
	<u>921</u>	<u>860</u>

4. Finance income and finance costs

	2021	2020
	£m	£m
Finance income		
Foreign exchange movement and remeasurement of other derivative financial instruments (not qualifying for hedge accounting)	1	8
	<u>1</u>	<u>8</u>

Finance costs

The Company incurred less than £1 million of finance costs during the year (2020: less than £1 million).

Borrowing costs

Borrowing costs included in the cost of qualifying assets during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 2.4% to expenditure on such assets. The amount capitalised in the current year amounted to £9 million (2020: £nil).

5. Profit before tax

Profit before tax is stated after charging:	2021	2020
	£m	£m
Depreciation of property, plant and equipment	38	33
Amortisation of intangible assets	164	125
Amortisation of right-of-use asset	2	1
Loss on disposal of property, plant and equipment and intangible assets	11	15
	<u>215</u>	<u>174</u>

Foreign exchange

Foreign exchange gains in the Income Statement during the year amounted to £1 million (2020: £8 million).

Audit fees

Amounts paid to the auditor for the audit of the Company's annual financial statements of £125,000 (2020: £125,000) were borne by another Group subsidiary in 2021 and 2020. No amounts for other services have been paid to the auditor.

Research and development

During the year the Company incurred less than £1 million (2020: £2 million) research and development costs.

6. Employee benefits and key management compensation

a) Company employee benefits	2021	2020
	£m	£m
Wages and salaries	181	144
Social security costs	24	19
Costs of employee share option schemes ⁽ⁱ⁾	4	4
Contributions to the Sky Pension Plan ⁽ⁱⁱ⁾	12	9
	<u>221</u>	<u>176</u>

Notes to the financial statements (continued)

6. Employee benefits and key management compensation (continued)

- (i) The expense recognised for employee share option schemes relates wholly to equity-settled share-based payments.
- (ii) The Company operates a defined contribution pension scheme (the "Pension Plan"). The pension charge for the year represents the cost of contributions payable by the Company to the schemes during the year. The amount payable to the schemes at 31 December 2021 was £nil (2020: £nil).

The average monthly number of full-time equivalent persons (including temporary employees) employed by the company during the year was as follows:

	2021 Number	2020 Number
Transmission and technology	2,662	1,984

b) Key management compensation

The Directors did not receive any remuneration during the year (2020: £nil) in respect of their services to the Company.

7. Tax

a) Tax recognised in the income statement

	2021 £m	2020 £m
Current tax expense		
Current year	25	24
Adjustment in respect of prior year	(12)	(4)
Total current tax expense	13	20
Deferred tax expense/(credit)		
Origination and reversal of temporary differences	(6)	(5)
Adjustment in respect of prior year	7	(1)
Total deferred tax expense/(credit)	1	(6)
Tax expense	14	14

b) Tax recognised directly in equity

	2021 £m	2020 £m
Deferred tax credit/(charge) relating to cash flow hedges	3	(2)
	3	(2)

Notes to the financial statements (continued)

7. Tax (continued)

c) Reconciliation of effective tax rate

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

	2021	2020
	£m	£m
Profit before tax	260	258
Profit before tax multiplied by rate of corporation tax in the UK 19.0% (2020: 19.0%)	49	49
Effects of:		
Patent Box Relief	(20)	(20)
Deferred tax not recognised on fixed assets transferred from Sky UK Limited	1	5
Research and Development expenditure credit	(10)	(5)
Net increase in respect of share-based payments	-	(1)
Change in corporation tax rate	(1)	1
Group relief surrendered/(claimed) for £nil consideration	-	(10)
Adjustment in respect of prior year	(5)	(5)
Tax	14	14

All tax relates to UK corporation tax.

Notes to the financial statements (continued)

8. Intangible assets

	Internally generated intangible assets £m	Software development (external) £m	Software licences £m	Other intangible assets £m	Internally generated intangible assets not yet available for use £m	Acquired intangible assets not yet available for use £m	Total £m
Cost							
At 1 January 2020	518	155	17	5	144	60	899
Additions	8	7	-	-	120	52	187
Disposals	(15)	(3)	(1)	-	-	-	(19)
Transfers	87	16	-	-	(87)	(16)	-
At 31 December 2020	598	175	16	5	177	96	1,067
Additions	139	76	97	-	77	40	429
Disposals	(10)	(1)	-	-	-	-	(11)
Transfers	52	39	-	-	(52)	(39)	-
At 31 December 2021	779	289	113	5	202	97	1,485
Amortisation							
At 1 January 2020	(213)	(79)	(15)	(2)	-	-	(309)
Amortisation	(98)	(25)	(2)	-	-	-	(125)
Disposals	9	2	1	-	-	-	12
At 31 December 2020	(302)	(102)	(16)	(2)	-	-	(422)
Amortisation	(115)	(31)	(18)	-	-	-	(164)
Disposals	6	1	-	-	-	-	7
At 31 December 2021	(411)	(132)	(34)	(2)	-	-	(579)
Carrying amounts							
At 31 December 2020	296	73	-	3	177	96	645
At 31 December 2021	368	157	79	3	202	97	906

The Company's internally generated intangible assets relate to software development associated with our customer management systems and set-top boxes. The Company's other intangible assets mainly include copyright licenses, customer lists and relationships, and patents and brands acquired in business combinations.

The estimated future amortisation charge on intangible assets with finite lives for each of the next five years is set out below. It is likely that future amortisation will vary from the figures below as the estimate does not include the impact of any future investments, disposals or capital expenditure.

	2022 £m	2023 £m	2024 £m	2025 £m	2026 £m
Estimated amortisation charge	202	173	125	65	26

Notes to the financial statements (continued)

9. Property, plant and equipment

	Freehold land and buildings £m	Equipment, furniture and fixtures £m	Assets not yet available for use £m	Total £m
Cost				
At 1 January 2020	6	211	35	252
Additions	-	1	54	55
Disposals	(5)	(6)	-	(11)
Transfers	-	17	(17)	-
At 31 December 2020	1	223	72	296
Additions	7	41	28	76
Disposals	-	(5)	-	(5)
Transfers	-	51	(51)	-
At 31 December 2021	8	310	49	367
Depreciation				
At 1 January 2020	(1)	(97)	-	(98)
Depreciation	-	(33)	-	(33)
Disposals	-	2	-	2
At 31 December 2020	(1)	(128)	-	(129)
Depreciation	(1)	(37)	-	(38)
At 31 December 2021	(2)	(165)	-	(167)
Carrying amounts				
At 31 December 2020	-	95	72	167
At 31 December 2021	6	145	49	200

Notes to the financial statements (continued)

10. Right-of-use assets

	Property £m	Total £m
Cost		
At 1 January 2020	18	18
At 31 December 2020	18	18
Additions		
At 31 December 2021	18	18
Depreciation		
At 1 January 2020	-	-
Depreciation	(1)	(1)
At 31 December 2020	(1)	(1)
Depreciation	(2)	(2)
At 31 December 2021	(3)	(3)
Carrying amounts		
At 1 January 2020	18	18
At 31 December 2020	17	17
At 31 December 2021	15	15

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

11. Investment in subsidiaries

Investments in subsidiaries of £1,713 (2020: £797) represent the cost of the shares of the wholly-owned subsidiary undertakings.

Details of all investments of the Company are as follows:

Name	Country of incorporation	Registered Office	Description and proportion of shares held (%)
Sky Manufacturing Services Limited	Hong Kong	Level 54, Hopewell Centre 183 Queen's Road East, Hong Kong	10,000 ordinary shares - 100% share
Sky Supply Chain Services Poland SP.Z O.O.	Poland	Pilsudskiego 1, Warsaw, Mazowieckie, 00-078, Poland	100 ordinary shares - 100% share

Notes to the financial statements (continued)

12. Deferred tax liabilities

	Accelerated tax depreciation	Share-based payments temporary differences	Financial instruments temporary differences	Total
	£m	£m	£m	£m
At 1 January 2020	(15)	-	-	(15)
Charge to income	5	1	-	6
Charge to equity	-	-	2	2
At 31 December 2020	(10)	1	2	(7)
Credit to income	(1)	-	-	(1)
Credit to equity	-	-	(3)	(3)
At 31 December 2021	(11)	1	(1)	(11)

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% (2020: 19%).

13. Trade and other receivables

	2021	2020 Restated (note 25)
	£m	£m
Gross trade receivables	35	15
Net trade receivables	35	15
Amounts receivable from parent company ^(a)	-	246
Amounts receivable from other Group companies ^(b)	126	123
VAT	43	20
Prepayments	6	5
Accrued revenue	1	12
Other	13	-
Total current trade and other receivables	224	421
Amounts receivable from other Group companies ^(b)	1,884	1,384
Other non current receivables	13	-
Total non-current trade and other receivables	1,897	1,384

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

	2021	2020
	£m	£m
Not past due date	32	6
Up to 30 days past due date	2	6
30 to 60 days past due date	-	3
60 to 120 days past due	1	-
	35	15

Notes to the financial statements (continued)

13. Trade and other receivables (continued)

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

a) Amounts receivable from the parent company

Amounts due from the parent company totalling £nil (2020: £246 million) represent trade receivables; they are non-interest bearing and are repayable on demand.

b) Amounts receivable from other Group companies

Current

Amounts due from other Group companies totalling £126 million (2020: £123 million) represent trade receivables; they are non-interest bearing and are repayable on demand.

Non-current

Amounts due from other Group companies totalling £1,884 million (2020: £1,384 million) represent trade receivables; they are non-interest bearing and are repayable on demand.

The Company is exposed to credit risk on its trade and other receivables; however, the Company does not have any significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers.

Within the Company there is a concentration of risk within amounts receivable from other Group companies. No allowances have been recorded against amounts receivable from Group companies as the expected credit loss in relation to these balances was assessed as being immaterial.

14. Trade and other payables

	2021	2020
	£m	£m
Trade payables	154	132
Amounts payable to ultimate parent Company ^(a)	37	19
Amounts payable to parent Company ^(b)	40	-
Amounts payable to other Group companies ^(c)	240	49
VAT	13	5
Accruals	35	20
Other payables	30	-
Current trade and other payables	549	225
Non-current other payables	49	1
Total trade and other payables	598	226

The Directors consider that the carrying amount of trade and other payables approximates their fair values. Trade payables principally comprise amounts outstanding for hardware purchases and related service and logistic costs.

a) Amounts payable to ultimate parent Company

Amounts due to ultimate parent Company totalling £37 million (2020: £19 million) represent trade payables; they are non-interest bearing and are repayable on demand.

b) Amounts payable to parent Company

Amounts due to ultimate parent Company totalling £40 million (2020: £nil) represent trade payables; they are non-interest bearing and are repayable on demand.

c) Amounts payable to other Group companies

Amounts due to other Group companies totalling £99 million (2020: £49 million) represent trade payables; they are non-interest bearing and are repayable on demand.

The Company owes Comcast Capital International Limited ("CCIL") £141 million (2020: £nil). The Company is a pooling participant in the multi currency notional pool operated by CCIL and thus any overdrawn accounts are funded by CCIL.

Notes to the financial statements (continued)

14. Trade and other payables (continued)

c) Amounts payable to other Group companies (continued)

As at 31 December 2021, for pooling participants the followings rates apply:

Currency	Reference rate	Participant deposit	Participant funding
Euros	1 month € Libor	Reference rate minus 11 basis points (floor @ 0%)	Reference rate plus 60 basis points
Pounds Sterling	1 month £ Libor	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

15. Provisions

	At 1 January 2020 £m	Provided during the year £m	Utilised during the year £m	At 31 December 2020 £m	Provided during the year £m	Utilised during the year £m	At 31 December 2021 £m
Current liabilities							
Legal ⁽ⁱ⁾	3	-	-	3	-	-	3
Non-current liabilities							
Property provisions ⁽ⁱⁱ⁾	-	1	-	1	-	-	1

- (i) This provision relates to amounts provided for potential legal disputes on royalties. The timing of the cash flows for legal disputes cannot be reasonably determined
- (ii) The Company has provided amounts for onerous contracts for maintenance and legal disputes. The timing of the cash flows for maintenance are dependent on the terms of the remaining leases. The timing of the cash flows for legal disputes cannot be reasonably determined

16. Lease liabilities

	2021 £m	2020 £m
Current lease liabilities	2	2
Non-current lease liabilities	15	15
	2021 £m	2020 £m
Maturity of lease liabilities		
Within one year	2	2
Later than one year but not later than five years	7	7
Later than five years	8	8
Total lease liabilities	17	17

The total cash outflow for leases in the year is £2m.

Notes to the financial statements (continued)

17. Derivatives and other financial instruments

Set out below are the derivative financial instruments entered into by the Company to manage its foreign exchange risks.

	2021				2020			
	Asset		Liabilities		Asset		Liabilities	
	Fair value	Notional	Fair value	Notional	Fair value	Notional	Fair value	Notional
	£m	£m	£m	£m	£m	£m	£m	£m
Cash flow hedges:								
Forward foreign exchange contracts	7	241	(3)	164	-	-	(18)	435
Derivatives not in a formal hedge relationship:								
Forward foreign exchange contracts	-	-	-	-	-	34	-	-

The maturity of the derivative financial instruments is as follows:

	2021		2020	
	Asset	Liability	Asset	Liability
	£m	£m	£m	£m
In one year or less	5	(2)	-	(13)
Between one and two years	2	(1)	-	(4)
Between two and five years	-	-	-	(1)
Total	7	(3)	-	(18)

The Company's portfolio of FX derivatives is diversified by maturity. Natural offsets between transactions within the portfolio and the designation of certain derivatives as hedges significantly reduce the risk of income statement volatility. All derivatives are transacted with Sky UK Limited.

The Sky Group Treasury function is responsible for liquidity management, and the management of foreign exchange and interest rate risks. The Sky Group is financed through a combination of equity and loan facilities from the Comcast Group. Treasury operations are conducted within a framework of policies and guidelines issued by Comcast Corporation. Derivative instruments are transacted for risk management purposes only. It is the Group's policy that all hedging is to cover known risks and that no speculative trading in financial instruments 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.

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

Hedge accounting classification and impact

Hedge effectiveness testing is performed quarterly using the dollar-offset approach. The actual movement in the hedging items is compared with the movement in the valuation of the hypothetically perfect hedge of the underlying risk at inception, and any ineffectiveness is recognised directly in the Income Statement. There was no ineffectiveness recognised in the Income Statement during the current year (2020: £509,000).

A hedge relationship is deemed to be effective if the ratio of changes in valuation of the underlying hedged item and the hedging instrument is within the range of 80% to 125%. Any relationship which has a ratio outside this range is deemed to be ineffective, at which point hedge accounting is suspended. During the year ended 31 December 2021, there were no instance(s) in which the hedge relationship was not highly effective (2020: one instance).

Notes to the financial statements (continued)

17. Derivatives and other financial instruments (continued)

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 and other receivables, cash and cash equivalents and derivative financial instruments.

The accounting classification of each class of the Company's financial assets and financial liabilities is as follows:

	Financial Assets at Amortised Cost £m	Financial Liabilities at Amortised Cost £m	Financial Assets at Fair Value through PL £m	Financial Liabilities at Fair Value through PL £m	Total carrying value £m	Total fair values £m
At 31 December 2021						
Derivative financial instruments	-	-	7	(3)	4	4
Trade and other payables	-	(585)	-	-	(585)	(585)
Trade and other receivables	2,072	-	-	-	2,072	2,072
Cash and cash equivalents	4	-	-	-	4	4
At 31 December 2020						
Derivative financial instruments	-	-	-	(18)	(18)	(18)
Trade and other payables	-	(220)	-	-	(220)	(220)
Trade and other receivables	1,788	-	-	-	1,788	1,788
Cash and cash equivalents	1	-	-	-	1	1

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

- The fair value of other 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; and
- Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

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 2021 and 31 December 2020. The volatile nature of the markets means that values at any subsequent date could be significantly different from the values reported above.

(b) Fair value hierarchy

The following table categorises the Company's financial instruments which are held at fair value into one of three levels to reflect the degree to which observable inputs are used in determining their fair values:

	Fair value £m	Level 1 £m	Level 2 £m	Level 3 £m
At 31 December 2021				
<i>Financial assets</i>				
Forward foreign exchange	7	-	7	-
<i>Financial liabilities</i>				
Forward foreign exchange	(3)	-	(3)	-
At 31 December 2020				
<i>Financial liabilities</i>				
Forward foreign exchange	(18)	-	(18)	-

Notes to the financial statements (continued)

17. Derivatives and other financial instruments (continued)

(b) Fair value hierarchy

Level 1 - Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Fair values measured using inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly. Derivative financial instrument fair values are present values determined from future cash flows discounted at rates derived from market source data.

Level 3 - Fair values measured using inputs for the asset or liability that are not based on observable market data.

(c) Offsetting of financial assets and liabilities

The following table show those financial asset and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

	Gross amounts of recognised financial assets/(liabilities)	Gross amounts of financial assets offset in the balance sheet	Net amounts presented in Balance Sheet	Right of set off with derivative counterparties	Related amounts not set off in the balance sheet
	£m	£m	£m	£m	Net amount £m
At 31 December 2021					
Derivative financial assets	7	-	7	-	7
Derivative financial liabilities	(3)	-	(3)	-	(3)
Total	4	-	4	-	4
At 31 December 2020					
Derivative financial liabilities	(18)	-	(18)	-	(18)
Total	(18)	-	(18)	-	(18)

Financial assets and liabilities are offset and the amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Derivative financial instruments that do not meet the criteria for offset could be settled net in certain circumstances under ISDA ('International Swaps and Derivatives Association') agreements where each party has the option to settle amounts on a net basis in the event of default from the other.

(d) Changes in assets and liabilities arising from financing activities

	31 December 2020	Additions	Net proceeds/ (repayments)	Net Financing Costs	31 December 2021
	£m	£m	£m	£m	£m
Finance lease liability	(17)	-	2	-	(15)

Notes to the financial statements (continued)

18. Financial risk management objectives and policies

The 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 risks. Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by Comcast's Audit Committee and Board of Directors, 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 Group's principal market risks are exposures to changes in interest rates and foreign exchange rates, which arise both from the Group's sources of finance and its operations. Following evaluation of those market risks, the Group selectively enters into derivative financial instruments to manage these exposures. The principal instruments currently used are forward foreign exchange contracts to hedge transactional and translational currency exposures.

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.

Market risk

The following table sets out the maturity profile and foreign currency exchange rates of the hedging instruments used in the Company's hedging strategies:

	0 - 6 Months	6 - 12 Months	Beyond 12 Months
Cash Flow Hedges			
Foreign Currency Risk			
Forward Currency Contracts (GBP:USD) fixed			
Notional Amount (£m)	154	151	100
Average exchange rate	1.35	1.37	1.37

	Carrying amount of the hedging instrument			Line item in the statement of financial position where the hedging instrument is located	Opening Balance 1 January 2021	(Gain)/Loss deferred to OCI	Gain/(Loss) recycled to Finance Income/(costs)	Gain/(Loss) reclassified to PPE	Closing Balance 31 December 2021	Hedge ineffectiveness recognised in financing (income)/costs
	Nominal amount of the hedging instrument	Assets	Liabilities							
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cash Flow Hedges										
Foreign Currency Risk										
Forward Exchange Contracts	405	7	(3)	Derivative Financial Assets/Liabilities	10	(8)	-	(6)	(4)	-

Notes to the financial statements (continued)

18. Financial risk management objectives and policies (continued)

Market risk (continued)

The following table represents the changes in value of hedging instrument and hedged item for calculating hedge ineffectiveness as at 31 December 2021:

Hedging instrument	Change in value of hedging instrument for calculating hedge ineffectiveness	Change in value of hedged item for calculating hedge ineffectiveness
	£m	£m
Cash Flow Hedges		
Foreign Exchange Risk		
USD Payables	Forward Contracts	(8) 8

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 the Group's policies approved by the Comcast Audit Committee and Board of Directors.

Credit risk

The Company is exposed to default risk amounting to cash and cash equivalents of less than £4m (2020: £1m). The Company's maximum exposure to credit risk on trade receivables is the carrying amounts disclosed in note 13.

Liquidity risk

The Company's financial liabilities are shown in note 14.

The following table analyses the Company's 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. The amounts disclosed may not reconcile to the amounts disclosed on the balance sheet for borrowings, derivative financial instruments and trade and other payables.

		Less than 12 months £m	Between one and two years £m	Between two and five years £m	More than five years £m
At 31 December 2021					
<i>Non-derivative financial liabilities</i>					
Trade and other payables		536	49	-	-
Provisions		3	-	-	1
<i>Gross settled derivatives</i>					
Asset	Outflow	170	65	-	-
	Inflow	(174)	(66)	-	-
Liability	Outflow	132	35	-	-
	Inflow	(130)	(34)	-	-
At 31 December 2020					
<i>Non-derivative financial liabilities</i>					
Trade and other payables		220	1	-	-
Provisions		3	-	-	1
<i>Gross settled derivatives</i>					
Asset	Outflow	34	-	-	-
	Inflow	(34)	-	-	-
Liability	Outflow	285	132	35	-
	Inflow	(272)	(129)	(34)	-

Notes to the financial statements (continued)

18. Financial risk management objectives and policies (continued)

Foreign exchange risk

The Company's revenues are substantially denominated in pounds sterling and US dollars, and a significant proportion of operating costs are denominated in US dollars. These costs relate mainly to the Company's set-top box contracts with overseas suppliers.

During the year, the Company managed its currency exposure on US dollar denominated contracts by the purchase of forward exchange contracts for up to 30 months ahead. All US dollar-denominated forward exchange contracts entered into by the Company were in respect of highly probable cash flows. At 31 December 2021, the Company had outstanding commitments to purchase, in aggregate, US \$549 million at an average rate of US\$1.36 to £1.00 (2020: US \$595 million at an average rate of US\$1.31 to £1.00).

The following analysis details the Company's sensitivity to movements in pounds sterling 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 US dollar would have impact of increasing profit by £7 million (2020: reducing profit by £3 million). The same strengthening would have an adverse impact on other equity of £70 million (2020: £67 million).
- A 25% weakening in pound sterling against the US dollar would have the impact of reducing profit by £12 million (2020: increasing profit by £5 million). The same weakening would have a beneficial impact on other equity of £116 million (2020: £112 million).

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 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.

19. Share capital

	2021	2020
	£m	£m
Authorised, allotted, called-up and fully paid		
432,334,228 (2020: 432,334,228) ordinary shares of £1 each	432	432

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

Share option and contingent share award schemes

The Company operates various equity-settled share option schemes (the "Schemes") for certain employees, using shares in the Company's ultimate parent company, previously Sky Limited and now Comcast Corporation.

The awards outstanding can be summarised as follows:

	2021 Number of ordinary shares	2020 Number of ordinary shares
Sharesave Scheme options ⁽ⁱ⁾	415,257	333,912
Comcast Corporation RSU awards ⁽ⁱⁱ⁾	148,783	245,857
	564,040	579,769

(i) Sharesave Scheme options

All Sharesave Scheme options outstanding at 31 December 2021 and 31 December 2020 have no performance criteria attached, other than the requirement that the employee remains in employment with Sky. Options granted under the Sharesave Scheme are to be exercised within six months of the relevant award vesting date. The Sharesave Scheme is open to all employees. Options are normally exercisable after either three or five years from the date of grant. The price at which options are offered is not less than 80% of the middle-market price on the dealing day immediately preceding the date of invitation.

(ii) Comcast Corporation RSU awards

All awards outstanding at 31 December 2021 and at 31 December 2020 vest provided that on the vesting date the grantee is and has from the date of the grant continuously been an employee of the Company or a Subsidiary Company during the restricted period.

Notes to the financial statements (continued)

19. Share capital (continued)

Share option and contingent share award schemes (continued)

The movement in share awards outstanding is summarised in the following table:

	Sharesave Scheme		Senior Management Schemes		Total	
	Number of shares under option	Weighted average exercise price	Number of shares under option	Weighted average exercise price	Number of shares under option	Weighted average exercise price
Outstanding at 1 January 2020	230,823	£27.26	254,169	-	484,992	£12.97
Granted during the year	106,870	£27.39	140,400	-	247,270	£11.84
Vested during the year	-	£0.00	(134,421)	-	(134,421)	£0.00
Forfeited during the year	(3,781)	£27.26	(14,291)	-	(18,072)	£5.70
Outstanding at 31 December 2020	333,912	£27.29	245,857	-	579,769	£15.72
Granted during the year	82,045	£33.31	132,374	-	214,419	£12.75
Vested during the year	-	£0.00	(205,454)	-	(205,454)	£0.00
Forfeited during the year	(700)	£27.26	(23,994)	-	(24,694)	£0.77
Outstanding at 31 December 2021	415,257	£28.49	148,783	-	564,040	£20.97

The weighted average market price of Comcast's shares at the date RSU awards vested during the year was £41.53 (2020: £33.78).

The following table summarises information about share awards outstanding at 31 December 2021 and 31 December 2020:

	Sharesave Scheme		Senior Management Schemes		Total	
	2021	2021 Weighted average remaining life	2021	2021 Weighted average remaining life	2021	2021 Weighted average remaining life
Range of Exercise Prices	Number	Years	Number	Years	Number	Years
£0.00 - £1.00	-	-	148,783	0.18	148,783	0.18
£27.00 - £34.00	415,257	2.11	-	-	415,257	2.11
	415,257	2.11	148,783	0.18	564,040	1.60

	Sharesave Scheme		Senior Management Schemes		Total	
	2020	2020 Weighted average remaining life	2020	2020 Weighted average remaining life	2020	2020 Weighted average remaining life
Range of Exercise Prices	Number	Years	Number	Years	Number	Years
£0.00 - £0.00	-	-	245,857	1.04	245,857	1.04
£27.00 - £28.00	333,912	2.79	-	-	333,912	2.79
	333,912	2.79	245,857	1.04	579,769	2.05

Notes to the financial statements (continued)

19. Share capital (continued)

Share option and contingent share award schemes (continued)

The exercise prices of options outstanding at 31 December 2021 ranged from nil to £33.31 (2020: nil to £27.39).

At 31 December 2021 and 31 December 2020 none of the outstanding Sharesave awards were exercisable. On vesting, RSUs are automatically assigned to the employee.

Information for awards granted during the year

The weighted average fair value of equity-settled share options granted during the year, as estimated at the date of grant, was £27.35 (2020: £22.36). This was calculated using the Black-Scholes share option pricing model.

Expected volatility was determined by calculating the historical volatility of the share price, over a period equal to the expected life of the options. Expected life was based on the contractual life of the awards and adjusted, based on management's best estimate, for the effects of exercise restrictions and behavioural considerations.

Weighted average fair value assumptions

i) Sharesave scheme

The weighted average fair value of equity-settled share awards granted during the year under the Sharesave Scheme, as estimated at the date of grant, was £7.69 (2020: £8.14). This was calculated using the Black-Scholes share option pricing model.

The following weighted average assumptions were used in these option pricing models:

	2021	2020
Share price	£37.39	£33.79
Exercise price	£33.31	£27.39
Expected volatility	25.9%	25.9%
Expected life	3.5 years	3.5 years
Expected dividend	2.1%	2.1%
Risk-free interest rate	0.2%	0.2%

ii) Senior management schemes

The weighted average fair value of equity-settled share awards granted during the year under the Senior Management Schemes, as estimated at the date of grant, was £39.54 (2020: £33.19). Awards granted as nil-priced options were treated as the award of a free share. For all other awards, fair value was calculated using the Black-Scholes share option pricing model.

The following weighted average assumptions were used in calculating these fair values:

	2021	2020
Share price	£39.54	£33.20
Exercise price	£0.00	£0.00
Expected volatility	0.0%	0.0%
Expected life	3.0 years	3.0 years
Expected dividend	0.0%	0.0%
Risk-free interest rate	0.1%	0.8%

20. Shareholders' equity

	2021	2020
Share capital	432	432
Hedging reserve	3	(8)
Retained earnings	2,185	1,939
	2,620	2,363

Notes to the financial statements (continued)

20. Shareholders' equity (continued)

Hedging Reserve

Changes in the fair values of derivatives that are designated as cashflow hedges are initially recognised in the hedging reserve to the extent that the hedges are effective. Amounts accumulated in the hedging reserve are subsequently recognised in the initial cost or other carrying value of the non-financial asset or liability on the Balance Sheet and in the Income Statement when the related hedged item is recognised in the Income Statement. In addition, deferred tax relating to these derivatives is also initially recognised in the hedging reserve prior to transfer to the Income Statement.

21. Notes to the cash flow statement

Reconciliation of profit before tax to cash generated from operations

	2021	2020
	£m	£m
Profit before tax	260	258
Depreciation of property, plant and equipment	38	33
Amortisation of intangible assets	164	125
Amortisation and impairment of right-of-use assets	2	1
Loss on disposal of property, plant and equipment and intangible assets	11	15
	475	432
Increase in trade and other receivables	(327)	(204)
Increase in trade and other payables	262	18
Increase in provisions	-	1
Increase in derivative financial assets	(8)	(2)
Cash generated from operations	402	245

22. Contracted commitments, contingencies and guarantees

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

	Less than one year	Between one and five years	After five years	Total at 31 December 2021	Total at 31 December 2020
	£m	£m	£m	£m	£m
Hardware	72	114	-	186	167
Property, plant and equipment	-	-	-	-	147
Intangible assets	-	-	-	-	13
Other	25	33	2	60	5
	97	147	2	246	332

b) Contingencies and guarantees

The following guarantees are in place relating to the Sky Group's borrowings: (a) Sky UK Limited, Sky Subscribers Services Limited ("SSSL"), Sky Group Finance Limited, Sky Telecommunications Services Limited, the Company and Comcast Corporation have given joint and several guarantees in relation to the outstanding Guaranteed Notes issued by Sky Limited. (b) Sky UK Limited, SSSL, Sky Limited, the Company, Sky Telecommunications Services Limited and Comcast Corporation have given joint and several guarantees in relation to the outstanding Guaranteed Notes issued by Sky Group Finance Limited.

Notes to the financial statements (continued)

23. Transactions with related parties

a) Transactions with parent company

The Group's Treasury function is responsible for liquidity management across the Group's operations. It is standard practice for the Company to lend and borrow cash to and from subsidiaries as required.

	2021	2020
	£m	£m
Supply of services by the Company	535	559

Principal services supplied:

- The licencing of Intellectual Property rights

Intangible assets and property, plant and equipment were transferred from the parent company during the year, see note 8 and note 9.

b) Transactions with subsidiary

The Company conducts business transactions with its subsidiary:

	2021	2020
	£m	£m
Purchases of goods / services by the Company	1	2

Principal services supplied to subsidiaries:

- Management fee

c) Transactions with other group companies

The Company conducts business transactions with other Group companies:

	2021	2020
	£m	£m
Supply of services by the Company	508	522

For details of amounts owed by and owed to other Group companies, see note 13 and note 14.

Principal services supplied to other Group companies:

- Inventories, owned set top boxes, logistics and related services supplied to Sky-In Home Service Limited.

c) Derivative contracts with Sky UK Limited

Sky UK Limited took out a number of derivative exchange contracts with counterparty banks prior to and during the year on behalf of the Company. On the same dates as these derivative contracts were entered into, the Company entered into equal and opposite contracts with Sky UK Limited in respect of these derivative contracts.

The face value of the derivative contracts that had not matured as at 31 December 2021 was £405 million (2020: £469 million).

During the year, US\$414 million (2020: US\$573 million) was received from Sky UK Limited upon maturity of derivative exchange contracts and £314 million (2020: £435 million) was paid to Sky UK Limited upon maturity of derivative exchange contracts.

Notes to the financial statements (continued)

24. Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of Sky UK Limited, a company incorporated and registered in England and Wales. The Company's ultimate parent company and the largest group in which the results of the company are consolidated is Comcast Corporation ("Comcast"), 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 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/investors>.

25. Prior -period restatement

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

The impact on the prior-year balances are as follows:

	2020	2020	2020
	As previously stated	Adjustment	Restated balance
	£m	£m	£m
Intercompany receivables from other Group companies - Current	1,507	(1,384)	123
Intercompany receivables from other Group companies - Non-current	-	1,384	1,384
	2019	2019	2019
	As previously stated	Adjustment	Restated balance
	£m	£m	£m
Intercompany receivables from other Group companies - Current	938	(868)	70
Intercompany receivables from other Group companies - Non-current	-	868	868