SKY SUBSCRIBERS SERVICES LIMITED

Annual report and financial statements
For the year ended 31 December 2023

Registered number: 02340150

Directors and Officers

For the year ended 31 December 2023

Directors

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

D E C Allan	(resigned 29 March 2024)
C Smith	(resigned 12 May 2023)
K Holmes	(appointed 16 May 2023)
G E J Harvey	(appointed 29 March 2024)
C R Jones	(resigned 31 December 2023)
T C Richards	

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 for the Year Ended 31 December 2023

The Directors present their Strategic Report on the affairs of the Company, together with the Directors' Report, audited financial statements and Auditor's Report for the year ended 31 December 2023, with comparatives for the year ended 31 December 2022.

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

Business Review and Principal Activities

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

The Company's principal activities are to provide support services (including conditional access, which is the technical process of ensuring encryption of our broadcasted channels, and subscriber management services) and to act as an agent for the direct-to-home ("DTH") pay TV, broadband, telephony and mobile business of its parent company Sky UK Limited. The Company also operates the Irish branch of the Group, operating pay television, broadband and telephony services in Ireland.

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

In the year, the Company made an operating profit of £78 million (2022: profit of £58 million).

Financial Review and Dividends

The audited financial statements for the year are set out on pages 17 to 52. The profit after tax for the year was £78 million (2022: £57 million). The Company's shareholder's equity is £527 million which is lower than at the prior year end (2022: £642 million) and is primarily due to a dividend payment in addition to profit for year and hedging reserves movements.

The Directors paid an interim dividend of £200 million for the year. (2022: £250 million). No final dividend is proposed.

Key Performance Indicators (KPIs)

Comcast and the Company manage their operations on a divisional basis. For this reason, the Directors believe that an analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The results of the Company are included in the KPIs of Comcast, the ultimate controlling party. More information is included in Comcast's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended 31 December 2023, and subsequent filings.

Principal Risks and Uncertainties

The Company's business is heavily regulated and changes in regulations, changes in interpretation of existing regulations or failure to obtain required regulatory approvals or licenses could adversely affect the Company's ability to operate or compete effectively. The Company's business is reliant on technology which is subject to the risk of failure, change and development. The Company operates in a highly competitive environment that is subject to rapid change and it must continue to invest to remain competitive. The failure of key suppliers could affect the Company's ability to operate as a business. The Company relies on a number of third parties and outsourced suppliers to support its supply chain.

Legislation and Regulation risk

U.K. Exit from the European Union

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

Within the Irish branch we have implemented additional compliance checks to ensure products placed on UK or Republic of Ireland markets comply with the relevant legislations / regulations. We have opened a warehouse in Dublin to supply product manufactured in the EU which incurs duty and ensured no products are moving across the Northern Ireland / Republic of Ireland borders. Extra costs have been incurred due to extra administration producing / managing customs clearance between the UK and Republic of Ireland. To date, we are not aware of any significant changes to contracts or pricing from a Sky Ireland perspective.

Section 172(1) statement

Under section 172(1) of the Companies Act 2006, 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; and
- the need to act fairly between members of the Company.

This section explains how the Directors of the Company, both individually and collectively, have had regard to the factors listed above in their decision making during the year ended 31 December 2023. As part of their decision-making process, the Directors have regard to the likely consequences of any decision in the long term.

The Company is a subsidiary of the Comcast Group and therefore consideration of stakeholder engagement is intrinsically linked to the wider Comcast strategy in order to achieve a greater aligned impact, rather than at an individual company level. Decisions made by the Directors consider the Comcast Group's strategic goals and follow Comcast's Code of Conduct, which reflects our shared commitment to integrity and seeks to ensure that the Company maintains high standards of business conduct. The Directors also have due regard to other relevant policies, frameworks and internal controls of the Comcast Group in relation to governance and stakeholder matters. Principal decisions made at the Company level include approving the annual financial statements and dividend distribution in Board meetings, among others.

Our Employees

The Directors recognize that employees are central to our success. We embrace diversity, of background, culture, skills and experience throughout our business, and seek to have a workforce that is inclusive and reflective of the diversity of our stakeholders, including our shareholders, employees, customers, suppliers and the communities where we operate.

The Company and its Directors are proud of our community of employee resource groups, which are voluntary, employee-led organisations dedicated to developing the careers of our employees, contributing to community service and building on an inclusive and collaborative workplace and culture. 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 to career development and progression) are based on the individual's qualifications, ability, performance, skills and potential. We communicate with our employees frequently and conduct employee engagement surveys.

Our Partners

As a part of the Comcast Group, the Directors and the Company as a whole seek to build long-term relationships with our suppliers and customers and help them succeed. A critical part of doing business is partnering with others, and we believe that partnerships are built on trust and mutual advantage. The Comcast Group considers these relationships and the feedback received from engagement with our partners in its decision-making process.

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 Human Rights and Modern Slavery Update provide more information on the Company's approach to understanding and addressing the risks of modern slavery, as well as conducting human rights due diligence.

Our Communities

As a part of the Comcast Group, a global media and technology company, the Directors and the Company as a whole seek to use our resources – our people, programming and platforms – to work toward opportunity for all in areas where we can have a meaningful impact. By supporting local communities, our teammates, and our planet we can help create a world of unlimited 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.* Helping people access the resources, skills and tools they need to succeed in an increasingly digital world.
- *Diversity, Equity and Inclusion.* Embracing diversity of background, culture, skills and experience throughout our business.
- *Environment.* Shaping a more sustainable future by improving our environmental impact.
- *Values and Integrity.* Fostering a company culture built on integrity and respect. Our values and principles guide everything we do.

Section 172(1) statement (continued)

Environment

The Directors and the Company as a whole have considered the importance of climate change and working towards the Comcast Group's strategy for a sustainable future, which includes setting a goal to be carbon neutral by 2035 in Scope 1 and 2 emissions across our global operations. Comcast Group is also working toward its commitment to set near-term emissions reduction goals with the Science Based Target initiative (SBTi). To achieve these goals, we are focused primarily on sourcing clean and renewable energy and improving energy efficiency. We are also innovating to create more sustainable products and packaging. More details on the Comcast Group's environmental strategy can be found at https://corporate.comcast.com/impact/environment.

The Directors and management of the Company are responsible for ensuring the Company contributes to the progress toward these Group wide goals, and consideration of these goals, together with wider environmental impact considerations, are incorporated into the Company's decision-making processes. For more information on Group wide environmental performance and progress, see the Carbon Footprint Data Report, the Sustainability Accounting Standards Board (SASB) Report, the Task Force on Climate-Related Financial Disclosures (TCFD) Report and the Carbon Disclosure Project (CDP) Report, all available on Comcast Group's ESG Reporting website at https://www.cmcsa.com/esg-reporting.

Members

The Company is a wholly owned subsidiary of Sky UK Limited and is part of the Sky Group and is ultimately controlled by Comcast. The duties of the Directors are exercised in a way that is most likely to promote the success of the Company, the Sky Group and the Comcast Group as a whole, while having regard to the factors outlined in Section 172(1).

Approved by the Board and signed on its behalf by

K Holmes
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

Date:19 June 2024

Directors' Report for the year ended 31 December 2023

The Directors present their report and the audited financial statements of Sky Subscribers Services Limited (the "Company") for the year ended 31 December 2023.

Directors

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

Going Concern

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

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

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

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

Director's Confirmations

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

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

Auditor

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them was approved by the Board of Directors on 19 June 2024.

Dividend

The Directors paid an interim dividend of £200 million in the current year (2022: £250 million), £40 million per ordinary share (2022: £50 million per ordinary share).

Financial risk management

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

The principal risks facing the Company are liquidity risk, credit risk and foreign exchange rate risk, which is mainly associated with intercompany balances, subscription revenue and purchases which are Euro denominated. The intercompany balances of the Company are detailed in notes 16 and 17.

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

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 and cross currency swaps to hedge these exposures and mitigates exposures by matching foreign currency assets and liabilities as far as is possible. See note 20 of the accompanying financial statements for more details.

Credit Risk

Given the amount and nature of the receivables balance, the expected credit loss is immaterial and no adjustment has been made in the year. No write-offs of receivables occurred 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 the £6 billion revolving credit facility with Comcast Corporation which is due to expire in 2027. The Company benefits from this liquidity through intra-group facilities and loans.

Branches outside the United Kingdom

The Company has the following company branches outside the UK: Irish Branch of Sky Subscribers Services Limited.

Employee Engagement Statement

The Directors and the Company as a whole place considerable value on the involvement of employees, and have continued to keep them informed on matters affecting them as employees and various factors affecting the performance of the Company. Employees are consulted through formal and informal meetings and internal communications, with the aim of ensuring that their views are taken into account when decisions are made which are likely to affect their interests, and that all employees are aware of the financial and economic performance of the Company and of Comcast Group as a whole. Furthermore, directors have regard to employee interests in the context of principal decisions made with respect to the Company during the year. We seek to create an engaged workforce through proactive listening and constructive dialogue, including through employee engagement surveys, as well as through Comcast’s nine employee resource groups, with approximately 36,000 members in 250 chapters, that are voluntary, employee-led organizations open to all across our business dedicated to developing the careers of our employees, contributing to community service and building on an inclusive and collaborative workplace and culture. We also offer a variety of training programs and initiatives focused on creating a more inclusive workplace culture, including company-wide forums like our DE&I speaker series, along with an enterprise-wide learning catalog. We are committed to creating an environment that encourages employees to ask questions, raise concerns and speak up about a workplace issue or suspected illegal or unethical conduct. We provide several channels for speaking up without fear of retaliation, including a helpline and web portal that are administered by an independent third-party company and allow for anonymous reporting when permitted by applicable laws.

Comcast has employee stock purchase plans in the United States, United Kingdom, India and several other European countries where most of our full-time and part-time employees can purchase Comcast stock at a discount.

Disabled Persons

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 Company continues and that appropriate adjustments are considered and support provided, in line with our reasonable adjustment policy. If a disabled employee is unable to continue in their current role after considering the adjustments available, we have a redeployment policy to provide support to help the employee secure an alternative role. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be equal to that of other employees.

Stakeholder Engagement Statement

The Company and Comcast maintain an active dialogue with Comcast's shareholders to consider a diversity of perspectives. Information on engagement with stakeholders, including suppliers, customers and communities, is set out in the "Section 172(1) statement" section of the Strategic Report.

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 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 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. Specifics of the Code of Conduct are available at https://www.cmcsa.com/corporate-governance.

Sky Group 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. As a result, the Directors decided not to formally adopt a recognised code of corporate governance.

Board Composition

The Company's board (the "Board") comprises of three directors. 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 and establishes clear lines of accountability and responsibility 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 our Contract Standards and Approval Policies for approving contracts which reserves certain matters. In some circumstances additional approvals from specific 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.

Oversight of Management and Risk

Oversight of management and risk is intrinsically linked to the Comcast board of directors, which provides guidance to and oversight of management with respect to Comcast Group's business strategy throughout the year. Active risk management is primarily the responsibility of management, which performs a company wide enterprise risk management assessment to identify key risks and to manage and mitigate the significant strategic, operational and legal risk areas for Comcast, overseen by the Comcast board of directors. In addition, the Company's Board monitors risks relating to the Company and its performance and regularly reviews measures to address and mitigate such risks, as well as monitoring how the Comcast Group strategy is implemented and communicated. Sky's formal risk management framework is embedded within the business to support the identification and management of risk across the Sky Group. An ongoing monitoring process operated by the Sky Group risk team and supported by senior management identifies and reports on significant changes or new risks. The Sky Group Risk and Assurance function assists the business in developing risk registers and consolidates these both to support Sky's day-to-day approach to risk and to inform Comcast's annual enterprise risk management assessment.

Comcast corporate governance documents are available at: https://www.cmcsa.com/corporate-governance.

Non-Financial and Sustainability Information (NFSI) Statement

Governance

The significant risks facing the Company are set forth under "Principal risks and uncertainties" above. The Company also recognises the importance of effectively managing significant climate-related risks and opportunities and has embedded this into its existing risk management and decision-making processes as appropriate. Climate-related risks and opportunities are first identified and managed on a Comcast Group-wide basis through the Comcast Group's enterprise risk management ("ERM") process, as described in further detail below, which includes input from the Company. The Company further assesses climate-related risks and opportunities in relation to the Company, on a Sky Group basis, and relevant climate-related initiatives at the Sky Group level as described below.

Comcast Board Oversight

The Comcast Corporation Board of Directors and its committees exercise their respective roles in strategy and risk oversight in a variety of ways, including the following that may relate to climate change:

- Oversight of risks associated with the Comcast Group's reputation, which may include the Comcast Group or the Company's climate-related activities, and review of climate-related strategies and initiatives as appropriate, including those related to the Company.
- Oversight of the Comcast Group's ERM assessment process, which includes input from the Company, and various policies, practices and assessments with respect to significant business risks including relating to business continuity, such as those risks arising from severe weather events.

Non-Financial and Sustainability Information (NFSI) Statement (continued)

Management Oversight

The Company, at the Sky Group level, has a Risk, Compliance and Governance Committee which is responsible for the monitoring and management of the Sky Group's risks. The Committee is composed of legal, financial, technology and security executives, who contribute into the wider Comcast ERM process.

The Comcast Group's executive management team has the overall responsibility for its ERM process, and an ERM steering committee composed of legal, financial, and business executives manages the process, with one or more senior business executives then monitoring and managing each of the identified risks.

In addition, the Comcast Group has two management committees that oversee governance of environmental sustainability for the enterprise - a senior executive-level committee and an operational committee.

- The Executive Environmental Committee, chaired by the Comcast Group's Chief Financial Officer and Chief Legal Officer, meets at least annually with members of the Environment Operating and Governance Committee ("EOGC") to assess and manage climate-related risks and opportunities and review and approve environmental sustainability strategy, targets and results.
- The EOGC, chaired by the Comcast Group's Senior Vice President of Corporate Environmental Sustainability, defines strategies across its businesses to address climate-related risks, realise climate-related opportunities and prioritise activities from a financial planning perspective that will help the Comcast Group 2035 carbon neutral goal. The EOGC meets periodically and is comprised of executives from each business unit, including the Sky Group, across multiple functions including procurement, strategy, finance, accounting, legal and other operational functions.

The Company, at the Sky Group level, has further developed its own tailored climate-related strategies and initiatives. The Sky Group Chief Corporate Affairs Officer and the Sky Group Director of Bigger Picture and Sustainability are accountable for the Company's sustainable business strategy and report into the Risk, Compliance and Governance Committee and EOGC when required.

Identification, Assessment and Management of Climate-Related Risks and Opportunities

The Company, at the Sky Group level, has a Risk, Compliance and Governance Committee which is responsible for identifying and managing the Sky Group's risks, with key Committee members involved in the Comcast Group-wide ERM process.

Risk identification and management are integrated within the Comcast Group's ERM process which is led by its ERM Committee, comprised of executive leadership across Comcast's businesses (including the Sky Group) and co-chaired by the Comcast Group's Chief Financial Officer and Chief Legal Officer. This Committee is responsible for identifying risks that are potentially most impactful to the Comcast Group and related risk mitigation strategies. The Audit Committee of Comcast Corporation's Board of Directors has oversight of the ERM process, and the full Board of Directors has oversight for the resulting risks and mitigations.

Risk identification and mitigation is iterative. The Company, at the Sky Group level, models and considers various assumptions for strategic investment as part of the Comcast Group's Long-Range Planning ("LRP") cycle each year. The LRP process occurs over several months annually to model, plan and set budgets for the Comcast Group over a 5-year (short-term and medium-term) horizon, in line with the financial LRP process.

The combination of the ERM and LRP processes determines which mitigation activities for the Comcast Group's most impactful risks are prioritised for short-term and medium-term funding. As mitigation strategies and opportunities are planned and funded as part of the LRP and budget processes, the results feed into the plans of the Comcast Group's Internal Audit function, who independently validates progress in the general course of its audit work.

In addition, the outcomes of the LRP process are used across the Comcast Group to identify risks and opportunities to inform the decarbonisation of the business. At the Sky Group level, the Company works with various business units on these plans, with focus on material areas of the business including Group Product and Group Supply Chain.

Risk Management

Within the ERM process, environmental risks are not stand-alone ERM risks given the overall nature of the Comcast Group's business. Instead, environmental-related risks are reflected within some of the Comcast Group's top risks. For example, business continuity risk includes crisis planning, preparedness/testing and response across a variety of events, including weather events (e.g. hurricanes, floods, wildfires), natural disasters (e.g. earthquakes and tsunamis), pandemics, wide-spread power outages, supply chain disruption and cyber-attacks.

Business continuity and disaster recovery programs at the Company are led by a Steering Committee comprised of senior business, financial and technological leaders. These leaders seek to ensure that the Company continuously evaluates and tests critical operations, technology and facilities for incident response and recovery. Where relevant, the Steering Committee and crisis responders coordinate to ensure appropriate responses for the Company's customer and employee populations. Pursuant to its charter, the Audit Committee of Comcast Corporation's Board of Directors receives periodic reports on business continuity activities. Because risk management is considered an integral part of company operations, environmental aspects of top ERM risks are managed by the same operational owners responsible for mitigating the specific ERM risks. This approach allows environmental issues to be considered alongside other operational factors when determining mitigation strategies and prioritisation.

Non-Financial and Sustainability Information (NFSI) Statement (continued)

Climate-Related Risks and Opportunities

At this time, neither the Company nor the Comcast Group has more widely identified any climate-related risks that are independent of the material operational risks already identified as part of the ERM process, which includes input from the Company. See Risk Management above for more information.

It is not considered that acute and chronic physical climate-related risks are material on a standalone basis for the Company or for the Comcast Group. The following are examples of some of the more meaningful climate-related transition risks identified that, while also not material on a standalone basis, may impact the Company at the Sky Group level. Consistent with the Corporate Sustainability Reporting Directive, we consider short-term to be less than one year, medium-term to be one to five years, and long-term to be over five years, but the specific time-period definitions are not determinative since the transition risks below fall across all three timeframes.

Risk Category	Risk Description	Efforts to Mitigate Risk
Transition Risks		
Regulatory and Legal	Increased or changing climate-related rules and regulations in the jurisdictions in which the Sky Group operates, which could lead to increased operational costs, compliance burdens and/or litigation. Such risks could be exacerbated by regulations that are enacted now but rely on future improvements in public infrastructure.	• Tracking relevant current and emerging regulations. • Building into annual budget and long-range plans investments needed to comply with new regulations. • Continuing to decarbonise Scope 1, 2 and 3 greenhouse gas (GHG) emissions towards Sky's 2030 target, which may reduce potential regulatory exposure to future requirements based on an entity's GHG emissions.
Market	Increased operational costs due to changing input prices (e.g. energy, water, supply chain) or output requirements (e.g. energy efficiency, waste treatment).	• Continuing to pursue energy efficiency and reduction initiatives in Sky's network, data centres, facilities and operations to minimise exposure to negative market changes. • Securing long-term supply contracts for clean and renewable energy in both deregulated and regulated markets. • Continuing to build geographic diversity and supplier reliability, redundancy, and business continuity planning in Sky's supply chain. • Designing products and operational infrastructure for increased refurbishment, reuses and recycling in support of a circular economy to reduce the use of raw materials.
Reputation	Brand and reputation risk from the Company's environmental impact or speed of action around climate or energy, or the climate resilience of Sky's products and services.	• Continuing to reduce Scope 1, 2 and 3 GHG emissions towards Sky's 2030 target over time. • Developed a Code of Conduct for Suppliers and Business Partners, which includes key provisions around business continuity and sustainable practices.

Climate-related opportunities, at the Sky Group level which may impact the Company's business, have been assessed and it has been determined that there are no such opportunities that are material on a standalone basis.

Metrics and Targets

In addition to enterprise metrics, targets and key performance indicators, the Company has been reporting its carbon footprint at the Sky Group level since 2005/06, which includes its businesses in the UK, Republic of Ireland, Portugal, Germany, Austria, Switzerland and Italy.

Metrics

The Company is a wholly owned subsidiary of Sky UK Limited (the immediate parent company) and operates as part of the Sky Group. Information on Sky's carbon footprint across Scope 1, Scope 2 and certain Scope 3 emissions, an appropriate intensity metric, and the total energy use of electricity, gas and transport fuel is not practical to determine at the Company level. The information is obtainable only at the Sky Group and the UK and Ireland levels, and there is no practical allocation method available (for example based on revenue or headcount) that would result in consistent and reliable information between companies in the Sky Group and over time. Accordingly, the table below presents the carbon footprint for the Sky Group and the UK and Ireland, which are the only levels at which the information can be practically obtained.

Non-Financial and Sustainability Information (NFSI) Statement (continued)

	2023		2022	
	UK and Ireland	Sky Group	UK and Ireland	Sky Group
Carbon Emissions (tCO2e)				
Emissions from combustion of gas (Scope 1)	3,244	**3,244**	5,264	**5,264**
Emissions from the consumption of fuel for the purposes of transport (Scope 1)	17,469	**19,992**	20,075	**22,836**
Emissions from purchased electricity (Scope 2 - location-based)	36,434	**54,580**	32,772	**48,774**
Emissions from business travel in employee-owned vehicles where the company is responsible for purchasing the fuel (Scope 3)	254	**438**	1,013	**1,194**
Total Carbon Emissions (tCO2e)	57,401	**78,254**	59,124	**78,068**
Total Energy consumption (kWh)	266,903,404	**336,620,365**	285,258,511	**352,872,911**

During the year ended 31 December 2023 the UK&I intensity ratio of tCO2e per FTE was 2.22 (2022: 2.19). Note that this metric was presented in prior year as emissions divided by revenue, whereas in current year this metric represents emissions divided by FTE.

Further, the presentation of emission data in the metric has been updated to bifurcate Scope 1 and Scope 2 information. As such the 2022 numbers in the metric above are not directly comparable to the disclosure in the prior-year financial statements.

Methodology

The Company has revised the presentation of the metrics in line with the 2019 UK Government environmental reporting guidance.

The Company has calculated GHG emissions using the location-based method, in compliance with Streamlined Energy and Carbon Reporting (SECR) requirements. Sky's GHG emissions are calculated in carbon dioxide equivalent (CO2e) according to the Greenhouse Gas Protocol Corporate Standard and associated guidance. Sky utilise the emission factors from the latest UK Government (DESNZ) Greenhouse Gas Conversion Factors for Company Reporting (2023), IEA Statistics Data Service: Emission Factors (2023 edition) and theEPA eGRID (2021 edition). Sky does not currently track emissions related to rental cars within Scope 3 business travel emissions.

Data for UK and Ireland includes Sky Limited's Joint Ventures, small international offices and news bureaus and business activities in Portugal.

Targets

Sky was the first media company to go CarbonNeutral® in Scope 1 and 2 emissions in 2006. In 2020, Sky set a science-based target, verified by the Science Based Targets initiative, to halve Scope 1, 2 (market-based), and 3 emissions by 2030 from a 2018 baseline. From 2018 to 2023, Sky's total Scope 1, 2 (market-based) and 3 emissions have increased by 3%, driven by an increase in Scope 3 emissions.

Sky's focus for Scope 3 emission reductions is through engaging suppliers and designing products and services with energy efficiency and recyclability in mind. Sky is shifting the product mix to include more efficient streaming devices to help reduce emission impacts and incorporating product Life Cycle Assessment (LCA) data into future emissions reporting to better reflect this.

Between 2022 and 2023, the total Scope 1 and 2 (market-based) emissions have decreased by 17%. The reduction in Scope 1 and 2 emissions is a result of utilising more renewable electricity and decarbonising the fleet. Sky continues to be carbon neutral for Scope 1 and 2. During the year, to further reduce Scope 1 and 2 emissions, the Sky Group delivered a range of heating, ventilation, and air conditioning (HVAC) optimisations primarily focussed on building management initiatives for increasing energy efficiency.

Impact and Resilience

The Directors reasonably believe that, having regard to the nature of the Company's business, and the manner in which it is carried on, the climate-related financial disclosures set forth in Section 414CB(2A)(e) and (f) of the Companies Act 2006 are not necessary for an understanding of the Company's business and have therefore been omitted. This information is not necessary because the Company's business model and strategy form part of a Comcast Group-wide business model and strategy that takes into account climate-related risks and opportunities. Various climate-related risks are components of several Comcast Group-wide risks identified as part of the Comcast Group-wide ERM process. These risks, including relevant climate-related risks, are managed by the operational owners of such risks so that mitigation is considered within the broader risk mitigation plan. At this time, neither the Comcast Group nor the Company has identified climate-related risks that are independent of the material operational risks identified through the ERM process, therefore the Company has not performed a stand-alone qualitative or quantitative climate-related scenario analysis.

Strategic and Directors' Report (continued)

Approved by the Board and signed on its behalf by:

K Holmes
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

19 June 2024

Directors' Responsibilities Statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Subscribers Services Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 24.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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.

Independent auditor's report to the members of Sky Subscribers Services 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, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pension legislation 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 1996, Communications Regulation and Digital Hub Development Agency (Amendment) Act 2023, 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.

Independent auditor's report to the members of Sky Subscribers Services 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, in-house and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

Jon Young

Jon Young FCA, (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
19 June 2024

Income Statement

For the year ended 31 December 2023

	Notes	**2023**	2022
		£m	£m
Revenue	3	**1,036**	1,051
Operating expense	4	**(958)**	(993)
Operating profit		**78**	58
Investment income	5	**23**	2
Finance (cost)/income	6	**(2)**	1
Profit before tax	7	**99**	61
Tax	9	**(21)**	(4)
Profit for the year attributable to equity shareholder		**78**	57

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

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

Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	**2023**	2022
		£m	£m
Profit for the year attributable to equity shareholder		**78**	57
Other comprehensive income			
Amounts recognised directly in equity that may subsequently be recycled to the income statement			
Gain/(loss) on cash flow hedges	20	**9**	(10)
Tax charge on cash flow hedges	9	**(1)**	2
		8	(8)
Amounts reclassified and reported in the income statement			
Loss/(gain) on cash flow hedges	20	**(1)**	(7)
Tax charge on cash flow hedges	9	**-**	-
		(1)	(7)
Other comprehensive profit/(loss) for the year (net of tax)		**7**	(15)
Total comprehensive income for the year attributable to equity shareholder		**85**	42

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 2023

	Notes	**2023**	2022
		£m	£m
Non-current assets			
Intangible assets	10	**160**	148
Property, plant and equipment	11	**28**	30
Right-of-use assets	12	**19**	35
Investment in subsidiaries	13	**-**	-
Deferred tax assets	14	**4**	5
Cost to obtain customer contracts	15	**1**	-
Costs-to-fulfil customer contract		**1**	2
Trade and other receivables	16	**235**	540
Derivative financial assets	19	**1**	-
Total non-current assets		**449**	760
Current assets			
Trade and other receivables	16	**745**	531
Cash and cash equivalents		**7**	4
Derivative financial assets	19	**1**	1
Total current assets		**753**	536
Total assets		**1,202**	1,296
Current liabilities			
Trade and other payables	17	**597**	585
Lease liabilities		**4**	4
Provisions	18	**4**	15
Derivative financial liabilities	19	**-**	3
Total current liabilities		**605**	607
Net current assets/(liabilities)		**148**	(71)

Balance Sheet (continued)

As at 31 December 2023

	Notes	**2023**	2022
		£m	£m
Non-current liabilities			
Trade and other payables	17	**35**	-
Lease liabilities		**21**	34
Provisions	18	**14**	9
Derivative financial liabilities	19	**-**	4
Total non-current liabilities		**70**	47
Total liabilities		**675**	654
Share capital	21	**-**	-
Share premium	22	**150**	150
Reserves	22	**377**	492
Total equity attributable to equity shareholder	22	**527**	642
Total liabilities and shareholder's equity		**1,202**	1,296

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

The financial statements of Sky Subscribers Services Limited, registered number 02340150 were approved by the Board of Directors on 19 June 2024 and were signed on its behalf by:

K Holmes
Director

19 June 2024

Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital £m	Share premium £m	Hedging reserve £m	Retained earnings £m	Total shareholder's equity £m
At 1 January 2022	-	150	10	690	850
Profit for the year	-	-	-	57	57
Losses on cash flow hedges (see note 20)	-	-	(15)	-	(15)
Total other comprehensive loss for the year	**-**	**-**	**(15)**	**-**	**(15)**
Total comprehensive income for the year	**-**	**-**	**(15)**	**57**	**42**
Dividends	-	-	-	(250)	(250)
At 31 December 2022	**-**	**150**	**(5)**	**497**	**642**
Profit for the year	-	-	-	78	78
Gains on cash flow hedges (see note 20)	-	-	7	-	7
Total other comprehensive income for the year	**-**	**-**	**7**	**-**	**7**
Total comprehensive income for the year	**-**	**-**	**7**	**78**	**85**
Dividends	-	-	-	(200)	(200)
At 31 December 2023	**-**	**150**	**2**	**375**	**527**

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

For a description of the nature and purpose of the hedging reserve, see note 22.

All results relate to continuing operations.

Notes to the financial statements

1. Company information

Sky Subscribers Services Limited (the "Company") is a private limited liability company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Grant Way, Isleworth, Middlesex, United Kingdom, TW7 5QD and registered number is 02340150. The Company's principal activities are set out in the Strategic report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2. Material accounting policies

a) Statement of compliance

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

The Company meets the definition of a qualifying entity under FRS 100 ‘Application of Financial Reporting Requirements’ issued by the Financial Reporting Council.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of IFRS, but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions. These exemptions are listed in accounting policy 2(p).

b) Basis of preparation

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

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

The group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

Going concern

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

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

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

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

2. Material accounting policies (continued)

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

i. Intangible assets

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

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

Amortisation of an intangible asset begins when the asset is available for use, and is charged to the Income Statement through operating expense on a straight-line basis 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 impairment accounting policy g) below.

The assessment of the useful economic lives of both intangible assets and PPE 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 useful economic lives of all its assets on at least an annual basis.

Assessing whether assets meet the required criteria for initial capitalisation for both intangible assets and PPE 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. There is also a judgement required as to whether technological feasibility has been met.

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.

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

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; and
- Directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including relevant delivery and logistics costs.

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

Freehold buildings	25 to 40 years
Equipment, furniture and fixtures	3 to 20 years
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 Group's general borrowings, the interest cost to be capitalised is calculated based upon the weighted average cost of borrowing to the Group (excluding the interest on any borrowings specific to any qualifying assets). This is then applied to the expenditures on the asset.

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

2. Material accounting policies (continued)

d) Derivative financial instruments and hedging activities

The Company uses derivative financial instruments to hedge its exposure to fluctuations in interest and 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 SONIA 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 IAS 39 "Financial Instruments: Recognition and Measurement" (as amended by IFRS 9), are designated as cash flow hedges. 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 in the periods in which the related hedged items are 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 periods. 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.

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.

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

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

i. Trade and other receivables

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

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

2. Material accounting policies (continued)

e) Financial assets and liabilities (continued)

ii. Cash and cash equivalents

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

iii. Trade and other payables

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

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. Cost is considered to be 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 excluding inventories, non-current assets classified as held-for-sale, 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.

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

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.

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.

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 source of revenue is derived from Irish customers, which is recognised over time as the services are performed, or at a point in time as the goods are provided and control is transferred. Revenue is recognised on an accruals basis as the service is provided.

2. Material accounting policies (continued)

i) Revenue recognition (continued)

Revenue is also derived from intercompany revenue earned from the provision of call centre services to other Group companies, which is recognised over time as the services are provided.

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

Direct to consumer revenue includes subscription and transactional revenue from residential and commercial customers. Subscription revenue includes revenue from residential and commercial subscribers to TV, Mobile and home communication products, including over-the-top ("OTT") subscriptions, and income from set-top box, Mobile handset and tablet sales, and installation, service calls and warranties.

Revenue is recognised, net of any discount given, at a point in time or over time as the goods or services are provided, and control is transferred.

A bundle exists where a customer enters into contracts for goods and services at or around the same time, where the transaction can only be understood commercially with reference to the bundle of goods and services as a whole, and where there is price inter-dependency between the products in a bundle. Where a customer purchases further products or services subsequent to the original sale, these are judged to represent contract modifications and are accounted for according to IFRS 15 guidance on contract modifications.

When the Company sells a set-top box, installation or service and a subscription in one bundled transaction, the total consideration from the arrangement is allocated to each element based on their standalone selling prices. Discounts are allocated to products on a pro-rata basis.

Transactional revenue includes the purchase of physical content, OTT passes, pay-per-view and buy to keep content by residential and commercial customers.

Transactional revenue is recognised, net of any discount given, at a point in time or over time as relevant goods or service are provided, and control is transferred. Where appropriate, adjustments are made to consider significant financing offered by Sky to the customer.

Selecting the appropriate timing for, and amount of, revenue to be recognised requires judgement. This may involve estimating the fair value of consideration before it is received. Judgement is required in determining which products constitute a bundle, and how revenue is allocated to products within the bundle.

When the Company sells a set-top box, installation service and TV, home communications and/or mobile subscription in one bundled transaction, the total consideration from the arrangement is allocated to each element based on the standalone selling prices of each performance obligation. Discounts are allocated to products on a pro-rata basis.

j) Employee benefits

i. 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 within operating expenses as the employees' services are rendered.

ii. Pension obligations

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.

iii. Termination benefits

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.

2. Material accounting policies (continued)

j) Employee benefits (continued)

iv. Share based payments

The Company issues equity-settled share-based payments to certain employees, using shares of its ultimate parent undertaking Comcast, 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 year is recognised immediately in the Income Statement.

k) Leases

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

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

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

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

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

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

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

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

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

2. Material accounting policies (continued)

k) Leases (continued)

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 / Statement of Comprehensive Income, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also included within equity.

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

m) Distributions to equity shareholders

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

n) Foreign currency remeasurement

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

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

2. Material accounting policies (continued)

o) Cost to fulfil

Fulfilment costs, which directly relate to a contract or an anticipated contract that the entity can specifically identify and generate or enhance resources of the Company that will be used in satisfying (or continuing to satisfy) performance obligations in the future, are recognised as an asset. Costs to fulfil a contract are only recognised as an asset if they are recoverable.

The asset recognised from capitalising the costs to obtain or fulfil a contract is amortised on a systematic basis consistent with the pattern of the transfer of the goods or services to which the asset relates.

p) FRS 101 exemptions

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

- The requirements of IAS 1 'Presentation of financial statements' and IAS 7 'Statement of cash flows' to present a statement of cash flows and related notes;
- The requirements of IAS 8 'Accounting policies, changes in accounting estimates and errors' to disclose information in relation to accounting standards which are issued but not yet effective;
- The requirements of IAS 24 'Related party disclosures' relating to key management compensation; and
- The requirements of IAS 24 'Related party disclosures' to disclose related party transactions between two or more wholly-owned members of a group.

q) Critical judgements and key sources of estimation uncertainty

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

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

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

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

3. Revenue

	2023 £m	2022 £m
Group support services revenue	**526**	520
Irish branch revenue	**510**	531
Total revenue	**1,036**	1,051

Group support services revenue is generated from intercompany recharges for the provision of core management and call handling services to the rest of the Sky Group (the "Group"). Irish branch revenue relates to revenue from direct-to-home ("DTH") pay television, broadband and telephony subscriptions in Ireland. All revenue arises from services provided in the UK and Ireland.

4. Operating expense

	2023 £m	2022 £m
Programming	**131**	132
Sales, general and administration	**827**	861
Total operating expense	**958**	993

Within Programming expenses we have included Direct Network costs associated with the Irish branch of £72 million (2022: £78 million).

5. Investment income

	2023 £m	2022 £m
Intercompany interest receivable	**23**	2
	23	2

6. Finance income/(cost)

	2023 £m	2022 £m
Foreign exchange remeasurement	**(1)**	2
Lease interest	**(1)**	(1)
	(2)	1

7. Profit before tax

Profit before tax is stated after charging	**2023**	2022
	£m	£m
Depreciation and impairment of property, plant and equipment	**5**	5
Amortisation of intangible assets	**47**	41
Depreciation and impairment of right of use assets	**8**	5

Audit fees

Amounts paid to the auditor for the audit of the Company's annual financial statements of £100,200 (2022: £54,000) were borne by another Group subsidiary in both the current and prior year. No amounts for other services have been paid to the auditor.

8. Employee benefits

a) Company employee benefits

	2023	2022
	£m	£m
Wages and salaries	**288**	298
Social security costs	**26**	27
Costs of employee share option schemes(i)	**5**	5
Contributions to the Sky Pension Plan ("the Pension Plan")(ii)	**16**	16
	335	346

(i) The expense recognised for employee share option schemes relates wholly to equity-settled share-based payments granted under the Restricted Stock Units and Sharesave schemes operated by Comcast Corporation (note 21).

(ii) The Company operates a defined contribution pension scheme through the Pension Plan. The pension charge for the year represents the cost of contributions payable by the Company to the scheme during the year. The Company's amount payable to the scheme at 31 December 2023 was £3 million (2022: £3 million).

The average monthly number of full-time equivalent persons (including temporary employees) employed by the Company during the year was 8,963 (2022: 10,170).

	2023	2022
	Number	Number
Channels and services	**33**	33
Transmission and technology	**1,287**	1,172
Customer services, sales and marketing	**7,153**	8,458
Management and administration	**490**	507
	8,963	10,170

b) Key management compensation

The Directors did not receive any remuneration during the year (31 December 2022: £nil) in respect of their services to the Company.

9. Tax

a) Tax recognised in the Income Statement

	2023 £m	2022 £m
Current tax expense		
Current year	**9**	3
Adjustment in respect of prior years	**12**	(1)
Total current tax charge	**21**	2
Deferred tax expense		
Origination and reversal of temporary differences	**-**	2
Total deferred tax charge	**-**	2
Tax expense	**21**	4

b) Tax recognised directly in equity

	2023 £m	2022 £m
Deferred tax (charge)/credit relating to cash flow hedges	**(1)**	2
	(1)	2

c) Reconciliation of effective tax rate

The tax expense for the year is lower (2022: lower) than the standard rate of corporation tax in the UK of 23.5% (2022: 19.0%) applied to profit before tax. The differences are explained below:

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

	2023 £m	2022 £m
Profit before tax	**99**	61
Profit before tax multiplied by rate of corporation tax in the UK of 23.5% (2022: 19.0%)	**23**	11
Effects of:		
Net increase in respect of share-based payments	**-**	1
Effect of branch exemption	**(2)**	(1)
Group relief claimed for £nil consideration	**(12)**	(8)
Non-deductible expense	**-**	1
Adjustment in respect of prior year	**12**	-
Tax	**21**	4

9. Tax (continued)

Tax predominantly relates to UK corporation tax and is settled by Sky UK Limited on the Company's behalf. In addition, the Irish branch of the Company is liable to Irish corporation tax.

The group has applied the temporary exception, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes. There is not expected to be any material impact of Pillar Two income taxes reporting legislation, which will be applicable to the financial statements for the year-ended 31 December 2024.

10. Intangible assets

	Internally generated intangible assets	Software development (external)	Software licences	Other intangible assets	Internally generated intangible assets not yet available for use	Acquired intangible assets not yet available for use	Total
	£m	£m	£m	£m	£m	£m	£m
Cost							
At 1 January 2022	95	304	30	6	12	-	447
Additions	4	1	-	-	17	5	27
Disposals	(8)	(1)	(3)	-	-	-	(12)
Transfers	10	(5)	8	-	(8)	(5)	-
At 31 December 2022	101	299	35	6	21	-	462
Additions	13	1	-	-	29	16	59
Disposals	-	-	-	-	-	-	-
Transfers	16	4	1	-	(16)	(5)	-
At 31 December 2023	**130**	**304**	**36**	**6**	**34**	**11**	**521**
Amortisation							
At 1 January 2022	81	167	30	6	-	-	284
Charge for the year	13	21	7	-	-	-	41
Disposals	(7)	(1)	(3)	-	-	-	(11)
At 31 December 2022	87	187	34	6	-	-	314
Charge for the year	14	31	2	-	-	-	47
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
At 31 December 2023	**101**	**218**	**36**	**6**	**-**	**-**	**361**
Carrying amounts							
At 1 January 2022	14	137	-	-	12	-	163
At 31 December 2022	14	112	1	-	21	-	148
At 31 December 2023	**29**	**86**	**-**	**-**	**34**	**11**	**160**

10. Intangible assets (continued)

The Company's internally generated intangible assets relate to software development associated with our customer management system. The Company's other intangible assets mainly include copyright licenses, customer lists and relationships.

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

	2024	2025	2026	2027	2028
	£m	£m	£m	£m	£m
Estimated amortisation charge	48	46	38	15	-

11. Property, plant and equipment

	Freehold land and buildings (i)	Leasehold improvements	Equipment, furniture and fixtures	Assets not yet available for use	Total
	£m	£m	£m	£m	£m
Cost					
At 1 January 2022	34	1	19	1	55
Additions	-	-	5	3	8
Disposals	-	-	(3)	-	(3)
At 31 December 2022	**34**	**1**	**21**	**4**	**60**
Additions	-	-	1	2	3
Disposals	-	-	-	-	-
Transfers	-	-	2	(2)	-
At 31 December 2023	**34**	**1**	**24**	**4**	**63**
Accumulated depreciation					
At 1 January 2022	16	1	11	-	28
Charge for the year	1	-	4	-	5
Disposals	-	-	(3)	-	(3)
At 31 December 2022	**17**	**1**	**12**	**-**	**30**
Charge for the year	1	-	4	-	5
Transfers			-		-
Disposals	-	-	-	-	-
At 31 December 2023	**18**	**1**	**16**	**-**	**35**
Carrying amounts					
At 1 January 2022	18	-	8	1	27
At 31 December 2022	17	-	9	4	30
At 31 December 2023	**16**	**-**	**8**	**4**	**28**

(i) Depreciation was not charged on £nil of land (2022: £nil).

12. Right-of-use assets

	Property and Other Leases £m	Total £m
Cost		
At 1 January 2022	30	30
Additions	6	6
Modifications	14	14
At 31 December 2022	50	50
Modifications	3	3
Disposals	(18)	(18)
At 31 December 2023	**35**	**35**
Depreciation		
At 1 January 2022	10	10
Charge for the year	5	5
At 31 December 2022	15	15
Charge for the year	8	8
Disposals	(7)	(7)
At 31 December 2023	**16**	**16**
Carrying amounts		
At 1 January 2022	20	20
At 31 December 2022	35	35
At 31 December 2023	**19**	**19**

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

13. Investment in subsidiaries

Details of the investments of the Company are as follows:

Name	Address	Country of incorporation	Description and proportion of shares held (%)
Direct holdings			
Sky Ireland Limited	Fifth floor, Burlington Plaza, Burlington Road, Dublin 4	Republic of Ireland	1 ordinary share of €1 (100%)

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

14. Deferred tax

Recognised deferred tax assets

	Accelerated tax depreciation	Short-term temporary differences	Share-based payments temporary differences	Financial instruments temporary differences	Total
	£m	£m	£m	£m	£m
At 1 January 2022	4	1	1	(1)	5
Charge to income	(1)	-	(1)	-	(2)
Credit to equity	-	-	-	2	2
At 31 December 2022	3	1	-	1	5
Credit to income	(1)	-	1	-	-
Charge to equity	-	-	-	(1)	(1)
At 31 December 2023	**2**	**1**	**1**	**-**	**4**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the years in which they reverse. The rate enacted for the relevant years of reversal is 25% (2022: 25%).

15. Cost to obtain customer relationships

Costs to obtain contracts relate to commissions paid to staff relating to acquisition of new subscriber contracts. At 31 December 2023 the balance of cost to obtain contracts was £1 million (2022: £nil).

These costs are amortised on a straight-line basis over the customer's minimum contract period as this reflects the period over which benefits are transferred to the customer.

16. Trade and other receivables

	2023 £m	2022 £m
Current		
Gross trade receivables	**12**	13
Less: loss allowance	**(3)**	(4)
Net current trade receivables	**9**	9
Amounts falling due within one year:		
Amounts receivable from other group companies	**715**	493
Prepayments	**13**	9
VAT	**-**	11
Accrued income	**3**	5
Contract assets	**-**	1
Other receivables	**5**	3
Current trade and other receivables	**745**	531
Non-current		
Gross trade receivables	**4**	3
Less: loss allowance	**(1)**	-
Net non-current trade receivables	**3**	3
Amounts receivable from parent company	**-**	447
Amounts receivable from other Group companies	**229**	86
Non-current other receivables	**3**	4
Total non-current trade and other receivables	**235**	540
Total trade and other receivables	**980**	1,071

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

Amounts relating to contract assets are balances that arise from customers with contracts for TV, Broadband, Talk and Mobile services, for performance obligations already satisfied. Amounts previously recognised as a contract asset are reclassified to trade receivables at the point at which it is invoiced to the customer. The contract asset is recognised in the Income Statement over the customer's minimum contract period.

No expected credit loss has been recognised in relation to accrued income as the loss is considered to be immaterial.

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

	2023 £m	2022 £m
Not past due date	**7**	9
Up to 30 days past due date	**2**	-
30 to 60 days past due date	**-**	-
More than 120 days past due date	**-**	-
	9	9

16. Trade and other receivables (continued)

Loss allowance

	2023	2022
	£m	£m
Balance at beginning of year	**4**	3
Increase of loss amount recognised in Income Statement	**-**	1
Balance at end of year	**4**	4

Amounts receivable from other group companies

Current

Amounts due from other Group companies as at 31 December 2023 are £715 million (2022: £493 million). £17 million (2022: £188 million) represent trade receivables, these are unsecured, non-interest bearing and are repayable on demand.

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 Company has assessed that the expected credit loss in relation to these balances is immaterial.

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

The amounts receivable due from Comcast Capital International Limited ("CCIL") were £698 million (2022: £305 million). Receivable and payable balances with CCIL are offset into one balance with CCIL where appropriate, to reflect its nature as a multi-currency notional pool. CCIL is a member of the Comcast Group as opposed to the Sky Group. As at 31 December 2023 for any deposited amounts by pooling participants the followings rates apply:

Currency	**Reference rate**	**Participant deposit**
Swiss Francs	1 month SARON	Reference rate minus 18 basis points
Euros	1 month EURIBOR	Reference rate plus 13 basis points
Pounds Sterling	1 month SONIA	Reference rate plus 19 basis points
US Dollars	1 month SOFR	Reference rate plus 16 basis points

Non-current

The Company is owed £229 million (2022: £86 million) of non-interest bearing loan receivable from Sky Operational Finance Limited which is repayable on demand.

Amounts receivable from immediate parent company

Amounts due from immediate parent company Sky UK Limited totalling £nil (2022: £447 million) represent trade receivables; the prior-year balance was unsecured, non-interest bearing and repayable on demand.

17. Trade and other payables

	2023 £m	2022 £m
Current		
Amounts falling due within one year:		
Trade payables	**27**	18
Amounts payable to other group companies	**467**	451
Accruals	**78**	81
Deferred income	**18**	25
Other payables	**7**	10
Total current trade and other payables	**597**	585
Non-current		
Amounts payable to parent company	**35**	-
Total trade and other payables	**632**	585

Amounts payable to other group companies

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

There are amounts due to other group companies totalling £467 million (2022: £451 million) which represent trade payables; these balances are unsecured, non-interest bearing and are repayable on demand.

18. Provisions

	At 1 January 2022 £m	Reclassified during the year £m	Provided during the year £m	Utilised during the year £m	At 31 December 2022 £m	**Reclassified during the year £m**	**Provided during the year £m**	**Utilised during the year £m**	**At 31 December 2023 £m**
Current liabilities									
Restructuring provision	3	-	-	(3)	-	**-**	**-**	**-**	**-**
Property provisions	3	(3)	-	-	-	**-**	**-**	**-**	**-**
Customer-related provisions	1	-	-	-	1	**-**	**-**	**(1)**	**-**
Other provisions	11	-	4	(1)	14	**(5)**	**1**	**(6)**	**4**
	18	(3)	4	(4)	15	**(5)**	**1**	**(7)**	**4**
Non-current									
Property provisions	6	3	-	-	9	**-**	**-**	**-**	**9**
Other provisions	-	-	-	-	-	**5**	**-**	**-**	**5**
	6	3	-	-	9	**5**	**-**	**-**	**14**

(i) Restructuring provision: These provisions relate to costs incurred as part of corporate restructuring and efficiency programmes.

(ii) Property provisions: These provisions relate to amounts provided for property dilapidation expenses.

(iii) Customer-related provisions: These provisions are for those costs incurred in the one-off upgrade of set-top boxes and the programme to replace selected Sky Broadband router devices.

(iv) Other provisions: These provisions relate to amounts provided for regulatory compliance and 3rd party commitments.

19. Derivatives and other financial Instruments

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

	2023				2022			
	Asset		**Liability**		Asset		Liability	
	Fair Value £m	**Notional £m**	**Fair Value £m**	**Notional £m**	Fair Value £m	Notional £m	Fair Value £m	Notional £m
Fair Value Hedges								
Cash flow hedges:								
Forward foreign exchange contracts	**2**	**120**	**-**	**89**	1	53	(7)	204
Total	**2**	**120**	**-**	**89**	1	53	(7)	204

19. Derivatives and other financial instruments (continued)

The maturity of the derivative financial instruments is as follows:

	2023		2022	
	Asset	**Liability**	Asset	Liability
	£m	**£m**	£m	£m
In one year or less	**1**	**-**	1	(3)
Between one and two years	**1**	**-**	-	(4)
Total	**2**	**-**	1	(7)

The Company's portfolio of rate 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.

Hedge accounting classification and impact

The Company's principal foreign currency exposures arise from the revenue which is denominated in Euro. The treasury policy allows for highly probable foreign currency transaction exposures to be hedged for up to 30 months ahead.

The Company designates its forward foreign exchange contracts as cash flow hedges of forecast foreign currency sales and purchases. Gains or losses are released from the hedging reserve and included in the initial cost or other carrying amount of the non-financial asset or liability on the Balance Sheet and affect the Income Statement in the same periods as the related hedge items. If forecast transactions are no longer expected to occur, any amounts included in the hedging reserve related to that forecast transaction would be recognised directly in the Income Statement. During the current year gains of £1 million were removed from the hedging reserve and credited to revenue in the Income Statement (2022: gains of £7.0m).

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. No ineffectiveness was recognised in the Income Statement during the current year (2022: no ineffectiveness).

During the current year, there were no instances in which the hedge relationship was not highly effective, all falling within the permitted 80% to 125% effectiveness ratio. (2022: no instances).

(a) Carrying value and fair value

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

19. Derivatives and other financial instruments (continued)

(a) Carrying value and fair value (continued)

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

	Financial Assets at		Financial Liabilities at			
	Amortised Cost	Fair Value through Profit and Loss	Amortised Cost	Fair Value through Profit and Loss	Total carrying value	Total fair values
	£m	£m	£m	£m	£m	£m
At 31 December 2023						
Derivative financial instruments	**-**	**2**	**-**	**-**	**2**	**2**
Trade and other payables	**-**	**-**	**(608)**	**-**	**(608)**	**(608)**
Trade and other receivables	**964**	**-**	**-**	**-**	**964**	**964**
Cash and cash equivalents	**7**	**-**	**-**	**-**	**7**	**7**
At 31 December 2022						
Derivative financial instruments	-	1	-	(7)	(6)	(6)
Trade and other payables	-	-	(553)	-	(553)	(553)
Trade and other receivables	1,047	-	-	-	1,047	1,047
Cash and cash equivalents	4	-	-	-	4	4

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

- The fair value of financial assets and financial liabilities with standard terms and conditions and which are traded on active liquid markets is determined with reference to quoted market prices;
- 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;
- 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 fair value of obligations under finance leases and other borrowings is estimated by discounting the future cash flows to net present value. The fair value of short-term deposits and cash and cash equivalents is equivalent to carrying value due to the short-term nature of these instruments.

The differences between carrying values and fair values reflect unrealised gains or losses inherent in the financial instruments, based on valuations as at 31 December 2023 and 31 December 2022. The volatile nature of the markets means that values at any subsequent date could be significantly different from the values reported above.

19. Derivatives and other financial instruments (continued)

(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 2023				
Financial assets				
Forward foreign exchange contracts	2	-	2	-
Total	2	-	2	-
Financial liabilities				
Forward foreign exchange contracts	-	-	-	-
Total	-	-	-	-

	Fair value £m	Level 1 £m	Level 2 £m	Level 3 £m
At 31 December 2022				
Financial assets				
Forward foreign exchange contracts	1	-	1	-
Total	1	-	1	-
Forward foreign exchange contracts	(7)	-	(7)	-
Total	(7)	-	(7)	-

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.

19. Derivatives and other financial instruments (continued)

(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)	Net amounts presented in Balance Sheet	Related amounts not set off in the balance sheet Net amount
	£m	£m	£m
At 31 December 2023			
Derivative financial assets	2	2	2
Derivative financial liabilities	-	-	-
Total	2	2	2
At 31 December 2022			
Derivative financial assets	1	1	1
Derivative financial liabilities	(7)	(7)	(7)
Total	(6)	(6)	(6)

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.

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

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

20. Financial risk management objectives and policies

Market risk

The following table sets out the maturity profile and average interest rates 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
At 31 December 2023			
Cash flow hedges			
Foreign Currency risk			
Forward Currency Contracts (GBP:EUR)			
Notional Amount (£m)	79	52	78
Average exchange rate to GBP	1.14	1.13	1.11
At 31 December 2022			
Cash flow hedges			
Foreign Currency risk			
Forward Currency Contracts (GBP:EUR)			
Notional Amount (£m)	78	70	109
Average exchange rate to GBP	1.11	1.16	1.15

20. Financial risk management objectives and policies (continued)

Market risk (continued)

The following table represents the corresponding carrying values and nominal amounts of derivatives in a continued hedge relationship:

	Nominal Amount of the hedging Instrument	Carrying amount of the hedging Instrument		Line item in the statement of financial position where the hedging instrument is located	Other Comprehensive Income				Hedge ineffectiveness recognised in financing (income) / costs
		Assets	Liabilities		Opening Balance 1 Jan 2023	(Gain) / Loss deferred to OCI	Gain/(Loss) recycled to revenue	Closing Balance 31 December 2023	
	£m	£m	£m		£m	£m	£m	£m	£m
Cash Flow Hedges Foreign Currency risk									
Forward exchange contracts	209	2	-	Derivative Financial Asset and Derivative Financial Liabilities	6	(9)	1	(2)	-

	Nominal Amount of the hedging Instrument	Carrying amount of the hedging Instrument		Line item in the statement of financial position where the hedging instrument is located	Other Comprehensive Income				Hedge ineffectiveness recognised in financing (income) / costs
		Assets	Liabilities		Opening Balance 1 Jan 2022	(Gain) / Loss deferred to OCI	Gain/(Loss) recycled to revenue	Closing Balance 31 December 2022	
	£m	£m	£m		£m	£m	£m	£m	£m
Cash Flow Hedges Foreign Currency risk									
Forward exchange contracts	257	1	(7)	Derivative Financial Asset and Derivative Financial Liabilities	(11)	10	7	6	-

20. 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:

	Hedging Instrument	Change in value of hedging instrument for calculating hedge ineffectiveness £m	Change in value of hedged item for calculating hedge ineffectiveness £m
At 31 December 2023			
Cash Flow Hedges			
Foreign exchange risk			
EUR Receivables	Forward Contracts	(9)	9
At 31 December 2022			
Cash Flow Hedges			
Foreign exchange risk			
EUR Receivables	Forward Contracts	10	(10)

Capital Risk Management

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

Liquidity risk

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

The Company's financial liabilities are shown in notes 17 and 18.

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

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

		Less than 12 months £m	Between one and two years £m	Total £m
At 31 December 2023				
Non-derivative financial liabilities				
Trade and other payables		**597**	**-**	**597**
Gross settled derivatives				
Asset	Outflow	**42**	**79**	**121**
	Inflow	**(42)**	**(82)**	**(124)**
Liability	Outflow	**89**	**-**	**89**
	Inflow	**(90)**	**-**	**(90)**

20. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

		Less than 12 months £m	Between one and two years £m	Total £m
At 31 December 2022				
Non-derivative financial liabilities				
Trade and other payables		625	-	625
Gross settled derivatives				
Asset	Outflow	53	-	53
	Inflow	(55)	-	(55)
Liability	Outflow	95	109	204
	Inflow	(92)	(107)	(199)

Credit risk

The Company's maximum exposure to credit risk on trade receivables is the carrying amounts as disclosed in note 16.

Foreign exchange risk

At 31 December 2023, the Company had outstanding commitments to sell, in aggregate, €242 million (2022: €290 million) at an average rate of €1.13 (2022: €1.14).

Foreign exchange sensitivity

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

- A 25% strengthening in pounds sterling against the Euro would have the effect of reducing profit by £38 million (2022: beneficial impact on profit of £3 million). The same move would have a beneficial impact on other equity of £42 million (2022: beneficial impact on other equity of £51 million).
- A 25% weakening in pounds sterling against the Euro would have the effect of increasing profit by £64 million (2022: adverse impact on profit of £6 million). The same move would have an adverse impact on other equity of £70 million (2022: adverse impact on other equity of £86 million).

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

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

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

21. Share capital

	2023 Number	**2023 £**	2022 Number	2022 £
Authorised, called-up and fully paid				
Ordinary shares of £1.00 each	5	5	5	5

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. After the acquisition of the Sky Group by Comcast Corporation on 9 October 2018, the previous share schemes operated by Sky were settled. New awards were granted under the Restricted Stock Units schemes operated by Comcast Corporation.

21. Share capital (continued)

The awards outstanding can be summarised as follows:

Scheme	2023 Number of ordinary shares	2022 Number of ordinary shares
Sharesave Scheme options (i)	**1,413,063**	1,394,080
Comcast Corporation RSU awards (ii)	**92,887**	126,524
	1,505,950	1,520,604

(i) Sharesave Scheme options

All Sharesave Scheme options outstanding at 31 December 2023 and 31 December 2022 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 2023 and at 31 December 2022 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.

Share option and contingent share award schemes

For the purposes of the disclosure below, the Comcast Corporation RSU awards and Management Special Incentive awards ('Senior Management Schemes') have been aggregated.

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	Number of shares under option	Weighted average exercise price
	Number	£	Number	Number	£
Outstanding at 1 January 2022	1,197,045	28.36	59,801	1,256,846	27.01
Granted during the year	693,959	19.43	134,858	828,817	16.27
Vested during the year	-	-	(66,010)	(66,010)	-
Forfeited during the year	(496,924)	28.31	(2,125)	(499,049)	28.19
Outstanding at 31 December 2022	1,394,080	23.93	126,524	1,520,604	21.94
Granted during the year	**487,676**	**21.94**	**98,847**	**586,523**	**18.25**
Vested during the year	**(661,520)**	**27.25**	**(32,291)**	**(693,811)**	**25.98**
Forfeited during the year	**(217,500)**	**22.52**	**(100,193)**	**(317,693)**	**15.42**
Transferred during the year	**410,327**	**27.26**	**-**	**410,327**	**27.26**
Outstanding at 31 December 2023	**1,413,063**	**22.88**	**92,887**	**1,505,950**	**21.47**

21. Share capital (continued)

Share option and contingent share award schemes (continued)
The weighted average market price of Comcast's shares at the date RSU awards vested during the year was £47.99 (2022: £46.11).

The following table summarises information about share awards outstanding at 31 December 2023 and 31 December 2022:

	Sharesave Scheme		Senior Management Schemes		Total	
	2023	**2023 Weighted average remaining contractual life**	**2023**	**2023 Weighted average remaining contractual life**	**2023**	**2023 Weighted average remaining contractual life**
Range of Exercise Prices	**Number**	**years**	**Number**	**years**	**Number**	**years**
£0.00 - £1.00	**-**	**-**	**92,887**	**1.66**	**92,887**	**1.66**
£19.00 - £34.00	**1,413,063**	**2.22**	**-**	**-**	**1,413,063**	**2.22**
	1,413,063	**2.22**	**92,887**	**1.66**	**1,505,950**	**2.19**

	Sharesave Scheme		Senior management schemes		Total	
	2022	**2022 Weighted average remaining contractual life**	**2022**	**2022 Weighted average remaining contractual life**	**2022**	**2022 Weighted average remaining contractual life**
Range of Exercise Prices	**Number**	**years**	**Number**	**years**	**Number**	**years**
£0.00 - £1.00	-	-	126,524	1.55	126,524	1.55
£19.00 - £34.00	1,394,080	2.09	-	-	1,394,080	2.09
	1,394,080	2.09	126,524	1.55	1,520,604	2.05

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 £15.52 (2022: £12.37). This was calculated using the Black-Scholes share option pricing model except for awards which have market-based performance conditions, where a Monte-Carlo simulation model was used, and for grants of nil-priced options, which were treated as the award of a free share. The fair value of nil-priced options granted during the period was measured on the basis of the market-price of Comcast's shares on the date of grant, discounted for expected dividends which would not be received over the vesting period of the options.

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

21. Share capital (continued)

Weighted average fair value assumptions

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 £12.61 (2022: £8.04). This was calculated using the Black-Scholes share option pricing model.

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

	2023	2022
Share price	**£36.22**	£27.44
Exercise price	**£21.94**	£21.60
Expected volatility	**30.7%**	30.6%
Expected life	**3.3 years**	3.5 years
Expected dividend	**3.5%**	3.5%
Risk-free interest rate	**4.1%**	4.1%

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 £29.89 (2022: £34.63). The fair value of awards with market-based performance conditions was calculated using a Monte-Carlo simulation model. 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:

	2023	2022
Share price	**£30.06**	£34.65
Expected life	**3.0 years**	3.0 years
Expected dividend	**0.1%**	0.1%
Risk-free interest rate	**2.3%**	2.3%

22. Shareholders' equity

	2023	2022
	£m	£m
Share capital	**-**	-
Share premium	**150**	150
Hedging reserve	**2**	(5)
Retained earnings	**375**	497
	527	642

Hedging reserve

Changes in the fair values of derivatives that are designated as cash flow 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 the Income Statement in the periods in which the related hedged items are 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.

Retained earnings

During the year the Directors paid an interim dividend of £200m (£40m per share).

23. Contracted commitments, contingencies and guarantees

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

	Less than 1 year	**Between 1 and 5 years**	**After 5 years**	**Total at 31 December 2023**	Total at 31 December 2022
	£m	**£m**	**£m**	**£m**	£m
Third party payments	20	72	87	**179**	200
Other	-	-	-	**-**	7
Total	**20**	**72**	**87**	**179**	207

b) Contingencies and guarantees

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

Included in the commitments above are £1,257,437 for commitments to purchase intangible assets and £nil for commitments to purchase property, plant and equipment.

24. Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of Sky UK Limited, (the immediate parent company), a company incorporated in the United Kingdom and registered in England and Wales. The Company's ultimate parent company and the smallest and largest group in which the results of the Company are consolidated is Comcast Corporation, a company incorporated in the United States of America and registered in Pennsylvania.

The Company is ultimately controlled by Comcast and operates together with Comcast's other subsidiaries, as a part of the Comcast Group. The only group in which the results of the Company are consolidated is that headed by Comcast.

The consolidated financial statements of the Comcast Group are available to the public and may be obtained from Company Investor Relations at Comcast Corporation, One Comcast Center, Philadelphia, PA 19103, USA (registered address), or at :https://www.cmcsa.com/investors.