SKY STUDIOS LIMITED

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

Registered number: 04377175

Directors and Officers

For the year ended 31 December 2023

Directors

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

S Robson

P Wedlock

T C Richards (resigned 28 June 2024)

R G McNeil (appointed 28 June 2024)

Secretary

Sky Corporate Secretary Limited

Registered office

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Strategic and Directors' Report

Strategic Report

The Directors present their Strategic and Directors' report on the affairs of the Company, together with the financial statements and Auditor's Report for the year ended 31 December 2023, with comparatives for the year to 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 Parthenon Media Group Limited (the immediate parent company) and operates together with Sky Limited and its subsidiaries (the "Sky Group" or "Group"). The Company is ultimately controlled by Comcast.

The Company is a media company that produces and distributes video content. The Company's key asset is its library of programmes and hours of content. The principal activity of the Company in the year has continued to be that of the distribution of television programmes, as well as the production and sale of content to other entities in the Group. There have not been any significant changes in the Company's activities in the year under review.

In 2020, Sky Studios Elstree, the new Sky Studios state-of-the-art film and TV studio, received planning permission to proceed with construction in the UK. Elstree fully opened in 2023. Sky Studios Elstree is now home to a host of Sky Originals, created by Sky Studios, as well as major film productions from Universal Pictures, Focus Features and Working Title, and television series from Universal Studio Group.

Financial Review and Dividends

The audited financial statements for the year ended 31 December 2023 are set out on pages 16 to 30. During the year, the Company made a loss before tax of £59,137,217 (2022: £7,115,023). Turnover was £268,123,384 (2022: £261,260,720) and total expenses were £305,270,531 (2022: £275,837,022) and the loss after tax was £59,990,357 (2022: loss of £8,198,607).

The Directors do not recommend the payment of a dividend for the year ended 31 December 2023 (2022: £nil). The balance sheet shows that the Company's shareholder's equity position at the year-end was a deficit of £29,591,192 (2022: positive equity position of £30,399,236).

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

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 Company's approach to understanding and addressing the risks of modern slavery, and conducting human rights due diligence.

Section 172(1) Statement (continued)

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 & Inclusion.* Embracing diversity of background, culture, skills and experience throughout our business.
- *Environment.* Shaping a more sustainable future by improving our environmental impact.
- *Values & Integrity.* Fostering a company culture built on integrity and respect. Our values and principles guide everything we do.

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 2023 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 Parthenon Media Group 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,

P Wedlock
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

25 September 2024

Directors' Report for the year ended 31 December 2023

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

The Company has chosen, in accordance with section 414C (11) of Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic Report which otherwise would be required to be disclosed in the Director's report.

Going concern

The Company's business activities together with the factors likely to affect its future development and performance are set out in the Business Review. The Strategic Report details the financial position of the Company, as well as the Company's objectives and policies, and details of its 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 expect that the businesses will continue to generate adequate cash flow from operating activities and believe that these cash flows, together with the Company's existing cash, cash equivalents and investments, and available borrowings under its existing credit facilities, including the £6 billion revolving credit facility with Comcast, will be sufficient for the Company to meet its current and long-term liquidity and capital requirements.

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

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

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 25 September 2024.

Dividend

The Directors do not recommend the payment of a final dividend in the current year (2022: £nil).

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, programming revenue and purchases which are Euro and dollar denominated. The intercompany balances of the Company are detailed in notes 11 and 12.

The Company is also exposed to risk through the performance of its investments. The Company is not exposed to significant interest rate risk or price risk.

Credit risk

The Balance Sheet of the company includes intercompany balances and the Company is therefore exposed to credit risk on these balances. The intercompany balances detailed in note 11 of the accompanying financial statements.

Given the amount and nature of the receivables balance, no allowance account has been made, and there has been no write-off during the year.

Foreign exchange risk

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates. The Group 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.

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.

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 over 35,000 members in over 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 both voluntary tailored programs to accelerate the development of talent, as well as broad-based leadership development programs designed for employees to lead inclusively and with cultural competence. 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, Ireland 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") is comprised of 3 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 the 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 companywide 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.

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

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.

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.

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

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.

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.

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

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.

	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 the EPA 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.

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

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.

Approved by the Board and signed on their behalf by:

P Wedlock
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

25 September 2024

Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 these 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; 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 Studios Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Sky Studios 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: 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 framework that the company operates in, and identified the key laws and regulations that:

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

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

As a result of performing the above, we identified the greatest potential for fraud in the impairment assessment of intangible assets not yet available for use. This is because there is a potential incentive to exclude certain assets in the assessment which may lead to overstatement of their value. We have addressed this risk through:

- performing walkthroughs to confirm our understanding of the process by which the assets not yet avilable for use are assessed for impairment;
- performing substantive tests of detail on a sample of assets not yet avilable for use to independently assess impairment indicators.

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.

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

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

Profit and Loss Account

For the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Turnover	3	**268,123**	261,261
Cost of sales		**(276,576)**	(255,640)
Gross (loss)/profit		**(8,453)**	5,621
Administrative expenses		**(28,694)**	(20,196)
Operating loss		**(37,147)**	(14,575)
Foreign exchange (losses)/gains		**(7,644)**	7,460
Net finance costs		**(14,346)**	-
Loss before taxation		**(59,137)**	(7,115)
Tax on loss	7	**(853)**	(1,084)
Loss for the financial year		**(59,990)**	(8,199)

The accompanying notes are an integral part of this Profit and Loss Account.

For the years ended 31 December 2023 and 31 December 2022, the Company did not have any other items of Comprehensive Income. Accordingly, no statement of other comprehensive income is presented.

All results relate to continuing operations.

Balance Sheet

As at 31 December 2023

	Note	2023 £'000	2022 £'000
Non-current assets			
Intangible assets	8	**223,783**	242,453
Tangible assets	9	**407,824**	196,505
Debtors	11	**8,038**	7,791
Deferred tax asset	7,14	-	79
		639,645	446,828
Current assets			
Debtors	11	**209,532**	172,110
		209,532	172,110
Non-current liabilities			
Accruals	12	**(13,677)**	(10,683)
Trade and other payables	12	**(355,587)**	(169,723)
Provisions for liabilities	13	**(118)**	-
		(369,382)	(180,406)
Current liabilities			
Trade and other payables	12	**(509,386)**	(408,133)
Net current liabilities		**(299,854)**	(236,023)
Total assets less current liabilities		**339,791**	210,805
Net (liabilities)/assets		**(29,591)**	30,399
Capital and reserves			
Called up share capital	15	-	-
Profit and loss account		**(29,591)**	30,399
Shareholders' (deficit)/Funds		**(29,591)**	30,399

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

The financial statements of Sky Studios Limited, registered number 04377175 were approved and authorised for issue by the Board of Directors on 25 September 2024 and were signed on its behalf by:

P Wedlock
Director
25 September 2024

Statement of Changes in Equity

For the year ended 31 December 2023

	Notes	Called up Share capital £'000	Share premium £'000	Retained earnings £'000	Total shareholder's equity £'000
At 1 January 2022		**-**	**-**	**(46,402)**	**(46,402)**
Loss for the year		-	-	(8,199)	(8,199)
Total comprehensive expense for the year		**-**	**-**	**(8,199)**	**(8,199)**
Issue of share capital	15	-	85,000	-	85,000
Reduction of share premium		-	(85,000)	85,000	-
At 31 December 2022		**-**	**-**	**30,399**	**30,399**
Loss for the year		-	-	(59,990)	(59,990)
Total comprehensive expense for the year		**-**	**-**	**(59,990)**	**(59,990)**
At 31 December 2023		**-**	**-**	**(29,591)**	**(29,591)**

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

Notes to the financial statements

1. Company information

Sky Studios Limited ("the Company") is a private company limited by shares, incorporated in the United Kingdom, and registered in England and Wales under Companies Act 2006. The address of the registered office is Grant Way, Isleworth, Middlesex, TW7 5QD, United Kingdom and registered number is 04377175. The nature of the Company's operations and its principal activities are set out in the Strategic report and Directors' 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

These financial statements are separate financial statements. The Company is taking advantage of s401 under the Companies act, meaning it is exempt from preparing consolidated accounts as it is included in the Group accounts of Comcast. The Group accounts are available to the public and can be obtained as set out in note 17.

The individual financial statements of Sky Studios Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 issued by the Financial Reporting Council, and the Companies Act 2006.

b) Basis of preparation

The financial statements have been prepared using the going concern basis and on a historical cost basis.

The financial statements have been prepared on an historical cost basis and in accordance with Financial Reporting Standard 102 issued by the Financial Reporting Council. The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel. Where relevant, equivalent disclosures have been given in the group financial statements of Comcast. The group financial statements of Comcast are available to the public and can be obtained as set out in note 17.

The principal accounting policies adopted are set out below.

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

Going concern

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

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

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

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

c) Turnover

Turnover represents amounts receivable for production services and distribution fees net of VAT. Turnover from a production commissioned or contracted by broadcasters is recognised in full when the content is delivered to the relevant counterparty.

Turnover from the distribution of programmes is recognised when a contract has been executed by both the Company and licensee and the relevant programmes have been delivered to the broadcaster. Where a separate party is making sales and paying a distribution fee to the Company, turnover is recognised as if the Company is an agent. Distribution turnover from programmes or formats distributed by third parties and other ancillary turnover is recognised once the Company has been notified of the sums due to it. Non-refundable advance payments received from third parties are recognised as turnover on execution of a contract. Any fees received in advance, which do not meet all the above criteria, are included in deferred income until the above criteria is met.

Notes to the financial statements (continued)

d) Foreign currencies

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

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

e) Tax, including deferred tax

UK corporation tax is provided at current amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which carried forward tax losses can be offset and from which the future reversal of underlying timing differences can be deduced.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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

i. Intangible assets

a) Film rights

Intangible assets, which comprise internally generated and acquired film distribution rights are initially stated at cost, respectively, less accumulated amortisation and impairment losses. Internally generated intangible assets are classified as assets under construction (as film rights not yet available for use) until they are available. Development costs include the costs to acquire scripts and costs to produce content.

Amortisation of an intangible asset begins when the asset is available for use and is charged to the Profit and Loss Account through operating expense based on the estimated useful life linked to the forecast revenue expected to be received in relation to the intangible. This requires an element of judgement from management. Amortisation is included within cost of sales in the profit and loss account. Where film rights are sold, the expense is recognised within cost of sales.

Internally generated intangible assets which are no longer expected to generate future revenues are impaired, including all capitalised costs aged over 3 years. During the year, an impairment review was undertaken and any programme which was no longer expected to generate revenues was fully impaired, with the charge taken to the Profit and Loss Account.

b) Internally generated software

Amortisation of internally generated software begins when the asset is available for use and is charged to the Profit and Loss Account through operating expense on a straight-line basis over the intangible asset's estimated useful life of 4 years.

2. Material accounting policies (continued)

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

ii. Property, plant and equipment

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are treated as PPE.

The cost of PPE, less estimated residual value, is depreciated in operating expense on a straight-line basis over its estimated useful life. Assets that are not yet available for use, are not depreciated. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Principal useful economic lives used for this purpose are:

Buildings	over the term of the lease
Furniture and fixtures	3 to 20 years
Plant and machinery	Straight-line over 3 to 20 years
Motor vehicles	Straight-line over 3 to 20 years
Short leasehold	over the term of the lease

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.

Owned PPE is stated at cost, net of accumulated depreciation and any impairment losses. 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 assessment of the useful economic lives of these assets requires judgement. Depreciation and amortisation are charged to the Income Statement based on the useful economic life selected, which requires an estimation of the period and profile over which the Company expects to consume the future economic benefits embodied in the assets. The Company reviews its useful economic lives of all its assets on at least an annual basis.

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

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

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

2. Significant accounting policies (continued)

g) Production and development costs

Production costs incurred in programming where future distribution rights are retained are capitalised in the Balance Sheet as intangible assets as they are incurred. Amortisation of an intangible asset begins when the asset is available for use and is charged to the Profit and Loss Account through operating expense based on the estimated useful life. The estimated useful life is based on the genre of the programme.

Production costs incurred in programming where no distribution rights are retained are charged to the Profit and Loss Account as they are incurred.

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

h) Financial instruments

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.

i. 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.

ii. Creditors (see note 12)

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.

iii. Debtors (see note 11)

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.

Trade and other debtors are stated at their recoverable amount. A provision is made when the amount receivable is not considered recoverable and the full amount is written off when the probability for recovery of a balance is assessed as being remote.

i) Critical accounting judgements and key sources of estimation uncertainty

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

There are 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 accounting policies section above.

Notes to the financial statements (continued)

3. Turnover

An analysis of the Company's turnover is as follows:	2023 £'000	2022 £'000
Continuing operations		
Rental income	**16,842**	6,566
Distribution of programmes	**71,897**	61,790
Sales of in-house productions	**179,384**	192,905
Total turnover	**268,123**	261,261

4. Loss before tax

Loss on ordinary activities before taxation has been arrived at after charging:	2023 £'000	2022 £'000
Net foreign exchange losses/(gains)	**7,644**	(7,460)
Amortisation of intangible fixed assets (see note 8)	**52,562**	62,425
Depreciation of tangible fixed assets (see note 9)	**7,071**	-
Impairment of intangibles (note 8)	**29,672**	1,718

Net finance costs in the year were made up of finance income of £2,482,000 and finance costs of £(16,828,000).

5. Auditor's remuneration

Amounts paid to the auditor for the audit of the Company's annual financial statements of £95,200 (2022: £88,600) were borne by another Group subsidiary in 2023 and 2022. No amounts for other services have been paid to the auditor.

6. Staff costs

The Company had no employees during the current or prior year with all administrative task undertaken by employees of fellow Group undertakings.

7. Tax on loss on ordinary activities

	2023 £'000	2022 £'000
The tax charge comprises:		
Corporation tax on loss on ordinary activities:		
Overseas taxation	**774**	1,019
Total current tax	**774**	1,019
Deferred tax:		
Origination and reversal of temporary differences	**(238)**	62
Adjustment in respect of prior year	**284**	(16)
Adjustment in respect of change in tax rates	**33**	19
Total deferred tax	**79**	65
Total tax on loss on ordinary activities	**853**	1,084

The tax expense for the year is higher than (2022: higher) the expense that would have been charged using the rate of corporation tax in the UK of 23.5% (2022: 19.0%) applied to loss before tax. The differences are explained below:

	2023 £'000	2022 £'000
Loss on ordinary activities before tax	**(59,137)**	(7,115)
Tax at the UK corporation tax rate of 23.5% (2022: 19.0%)	**(13,897)**	(1,324)
Tax effect of expenses that are not deductible in determining taxable loss	**141**	88
Adjustment in respect of prior year	**284**	(16)
Deferred tax not recognised	**13,518**	1,298
Deferred tax write-off following rate reduction	**33**	19
Foreign tax not creditable	**774**	1,019
Total tax charge for the year	**853**	1,084

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%).

At 31 December 2023, there was an unrecognised deferred tax asset of £13,518,000 In respect of tax losses which can be used against future profits of the company or surrendered to other companies within the group and £103,000 in respect of losses which are ringfenced against profits of certain productions. Deferred tax assets have not been recognised at 31 December 2023 on the basis that management do not conclude it probable that there will be suitable taxable profits against which these assets can be utilised or the surrender of losses to other group companies is for no consideration. 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%).

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.

8. Intangible assets

	Film rights not yet available for use	Film rights	Internally generated software	Total
	£'000	£'000	£'000	£'000
Cost				
At 31 December 2022	196,373	431,434	491	628,298
Additions	246,961	-	288	247,249
Transfers	(215,151)	215,151	-	-
Disposals	-	(183,685)	-	(183,685)
At 31 December 2023	**228,183**	**462,900**	**779**	**691,862**
Amortisation				
At 31 December 2022	-	385,848	(3)	385,845
Charge for the year	-	52,408	154	52,562
Disposals	-	-	-	-
Impairment	29,672	-	-	29,672
At 31 December 2023	**29,672**	**438,256**	**151**	**468,079**
Carrying amount				
At 31 December 2022	196,373	45,586	494	242,453
At 31 December 2023	**198,511**	**24,644**	**628**	**223,783**

At year-end, the Company had commitments to purchase additional programming rights over the next five years totalling £29,931,000.

The amortisation of film rights and internally generated software have been charged to cost of sales in the profit and loss.

Intangible assets are amortised as disclosed in note 2 f) of the notes to the accounts. A monthly review is undertaken to ensure that the proportion of costs amortised to date matches the proportion of revenue to date.

9. Tangible assets

	Land	Assets under construction	Buildings and leasehold improvements	Fixtures and Fittings	Plant and machinery	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or *valuation*							
At 31 December 2021	-	-	2	6,828	408	10	7,248
Additions	86,167	83,556	-	19,889	-	-	189,612
Disposals	-	-	(2)	(352)	-	-	(354)
At 31 December 2022	86,167	83,556	-	26,365	408	10	196,506
Additions	(81)	206,870	-	11,601	-	-	218,390
Disposals	-	-	-	-	(408)	(10)	(418)
Transfers	-	(290,426)	293,700	(3,274)	-	-	-
At 31 December 2023	**86,086**	**-**	**293,700**	**34,692**	**-**	**-**	**414,478**
Accumulated depreciation and impairment							
At 31 December 2021	-	-	2	(66)	408	10	354
Disposals	-	-	(2)	(351)	-	-	(353)
At 31 December 2022	-	-	-	(417)	408	10	1
Charge for the year	-	-	4,491	2,580	-	-	7,071
Disposals	-	-	-	-	(408)	(10)	(418)
At 31 December 2023	**-**	**-**	**4,491**	**2,163**	**-**	**-**	**6,654**
Carrying amount							
At 31 December 2021	-	-	-	6,894	-	-	6,894
At 31 December 2022	86,167	83,556	-	26,782	-	-	196,505
At 31 December 2023	**86,086**	**-**	**289,209**	**32,529**	**-**	**-**	**407,824**

10. Investments

The company has the following investments:

Name	Country of incorporation	Description and proportion of shares held (%)	Principal activity
Direct holdings			
Cymru International Limited	United Kingdom	2 ordinary share of £1.00 - 100%	Distribution and Licensing
Sky Studios Productions Limited	United Kingdom	1 ordinary share of £1.00 - 100%	Television programme production activities
Agreed Voices Limited	United Kingdom	1 ordinary share of £1.00 - 100%	Television programme production activities
Rising Voices Limited	United Kingdom	1 ordinary share of £1.00 - 100%	Television programme production activities
Wider Voices Limited	United Kingdom	1 ordinary share of £1.00 - 100%	Television programme production activities
Low Voices Limited	United Kingdom	1 ordinary share of £1.00 - 100%	Television programme production activities
Production Voices Limited	United Kingdom	1 ordinary share of £1.00 - 100%	Television programme production activities
Two Plus Voices Limited	United Kingdom	1 ordinary share of £1.00 - 100%	Television programme production activities
Active Voices Limited	United Kingdom	1 ordinary share of £1.00 - 100%	Television programme production activities
Directed Voices Limited	United Kingdom	1 ordinary share of £1.00 - 100%	Television programme production activities
Factual Voices Limited	United Kingdom	1 ordinary share of £1.00 - 100%	Television programme production activities
Scripted Voices Limited	United Kingdom	1 ordinary share of £1.00 - 100%	Television programme production activities

Notes to the financial statements (continued)

11. Debtors

	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	**5,865**	448
Amounts owed by group undertakings	**179,715**	146,007
Prepayments and accrued income	**3,010**	5,258
Other debtors	**1,678**	11,010
VAT	**19,264**	9,387
	209,532	172,110
Amounts falling due greater than one year:		
Amounts owed by group undertakings	**7,416**	7,791
Other debtors	**622**	-
	8,038	7,791

The directors consider that the carrying amount approximates the fair value.

Amounts due from other Group companies totalling £179,715,000 (2022: £146,007,000) of which £179,715,000 (2022: £138,044,000) represent trade receivables; they are unsecured, non-interest bearing and are repayable on demand.

Non-Current receivables from other Group companies of £7,416,000 (2022: £7,791,000) represent receivables that fall due after one year; they are unsecured, non-interest bearing and are repayable on demand.

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

12. Trade and other payables

	2023	2022
	£'000	£'000
Current liabilities		
Trade creditors	**(12,610)**	(2,469)
Amounts owed to group undertakings	**(443,565)**	(346,946)
Accruals	**(27,417)**	(48,696)
Income tax liability	**(1,793)**	(1,019)
Deferred income	**(4,538)**	(4,485)
VAT	**(5,600)**	-
Provisions	**-**	(3,648)
Other payables	**(13,863)**	(870)
	(509,386)	(408,133)
Non-current liabilities		
Other payables	**(355,587)**	(169,723)
Accruals	**(13,677)**	(10,683)

There are amounts payable to other group undertakings totalling £209,783,000 (2022: £337,739,000) which are unsecured, non-interest bearing and are repayable on demand.

The Company owes Comcast Capital International Limited ("CCIL") £233,782,000 (2022: £9,206,000). The Company is a pooling participant in the multi currency notional pool operated by CCIL and thus any overdrawn accounts are funded by CCIL.

As at 31 December 2023, for pooling participants the followings rates apply:

Currency	**Reference rate**	**Participant deposit**	**Participant funding**
US Dollars	1 month SOFR	Reference rate plus 16 basis points	Reference rate plus 50 basis points
Euros	1 month EURIBOR	Reference rate plus 13 basis points	Reference rate plus 40 basis points
Pounds Sterling	1 month SONIA	Reference rate plus 19 basis points	Reference rate plus 70 basis points

Non-current other payables are the finance leases on the Elstree Studios, which increased during the year as building work on the studios completed.

The directors consider that carrying amount approximates the fair value.

13. Provisions for liabilities

	At 31 December 2022	**Provided during the year**	**Utilised during the year**	**At 31 December 2023**
	£'000	**£'000**	**£'000**	**£'000**
Non-Current				
Dilapidation provision (i)	-	**(118)**	-	**(118)**

(i) Provision made for dilapidation on properties under finance leases.

14. Provision for deferred tax

	2023	2022
	£'000	£'000
Accelerated capital allowances	(1,183)	(343)
Tax losses available	1,039	-
Provisions	144	422
Total provision	-	79

15. Share capital

	2023	2022
	£'000	£'000
Authorised, allotted, called-up and fully paid		
101 (2022: 101) Ordinary shares of £1 each	-	-
	-	-

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

16. Lease Commitments

At the balance sheet date, the Company's non-cancellable obligations under lease arrangements were as follows:

	Within 1 year	1-5 years	5+ years
	£'000	£'000	£'000
Operating leases	3,488	17,439	47,084
Finance leases	10,814	57,401	467,040
	14,302	74,840	514,124

17. Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of Parthenon Media Group 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 office), or at: https://www.cmcsa.com/investors.