SKY LIMITED

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

Registered number: 02247735

Directors and Officers

For the year ended 31 December 2023

Directors

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

T J Reid	(resigned 24 July 2023)
S Robson	
E Wideman	(appointed 25 July 2023)

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, Auditor's Report and financial statements 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 activity

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 Comcast Bidco 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 activity is to act as a holding Company for certain subsidiary undertakings, to obtain loans on behalf of and issue loans to other Sky Group companies and to licence the Sky trademarks to other companies in the Sky Group. The Directors expect this activity to continue for the foreseeable future.

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.

During the year the Company repaid €850 million of Guaranteed Notes based on their contractual repayment date; this repayment was funded by the Company's trading results in the year and other movements in intercompany balances.

During the year, the Company issued 1 share for £4,542 million, as part of a wider project to improve the net debt position of the Company's subsidiary entity, Sky UK Limited. The share was issued to the Company's parent entity in exchange for a loan note, which was subsequently injected into Sky UK Limited in exchange for one share. Subsequent to the Company's share issue, the arising share premium, as well as £5,000 million of pre-existing share premium, was cancelled into retained earnings.

Subsequently, a £7,200 million impairment charge was recognised in the Company's investment in Sky UK Limited. This impairment related to a decline in in the recoverable amount of Sky UK Limited, primarily due to both adverse macroeconomic conditions resulting in reduced estimated future cash flows for Sky UK Limited and its subsidiaries, and a higher discount rate being used in value in use calculations.

The Company also received intercompany funding from and provided intercompany funding to other Group Companies. During the year, debt was paid in accordance with the contractual payment dates of the debt balances.

Financial Review and Dividends

The audited financial statements for the year ended 31 December 2023 are set out on pages 21 to 55. During the year, the Company made a loss before tax of £7,245 million (2022: profit of £220 million), primarily due to the impairment charge noted above. During the year the Company had revenue of £324 million (2022: £321 million), investment income of £308 million (2022: £121 million) and finance costs of £648 million (2022: £194 million). The Balance Sheet shows that the Company's shareholders' position at the end of the year was a surplus of £7,476 million (2022: £10,288 million).

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, liquidity risk, foreign exchange risk and interest rate risk. The Company is also exposed to risk through the performance of its investments. The Directors do not believe the Company is exposed to significant cash flow risk or price 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
- 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 defines our principles of business conduct and 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; and
- *Values and Integrity.* Fostering a company culture built on integrity and respect. Our values and principles guide everything we do.

S172 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 Comcast Bidco 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

S Robson
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

Date: 26 June 2024

Directors' Report for the year ended 31 December 2023

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

Directors

The Directors who served during the year are shown on page 1.

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 Directors' Report.

Going concern

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

Given the integrated nature of the Group's financial planning and treasury functions, 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 is in a net current liability position. However, the Company has received confirmation that Comcast intends to support the Company for a period of at least 12 months from the date of signing of these financial statements.

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

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 26 June 2024.

Dividend

During the year an interim dividend of £105 million was paid (2022: £100 million). 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 treasury policy approved by the Comcast Audit Committee and Board of Directors, which provides 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 interest risk, liquidity risk, credit risk and foreign exchange rate risk, which is mainly associated with intercompany balances and purchases which are Euro denominated. The intercompany balances of the Company are detailed in notes 11 and 13. The Company is also exposed to risk through the performance of its investments.

Interest rate risk

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

Foreign exchange risk

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates. 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 15 of the accompanying financial statement for more details.

Credit risk

The balance sheet of the Company includes intercompany balances. The Company is therefore exposed to credit risk on these balances. The intercompany balances of the Company are detailed in note 11. Given the amount and nature of the receivables balance, it is considered that the allowances are immaterial and therefore no adjustment has been made under IFRS 9, and there has been no write-off during the year.

Liquidity risk

The Company relies on the Comcast Group Treasury function to manage its liquidity and ensure that sufficient funds are available for ongoing operations and future developments. Sky Limited and its subsidiaries ("the Sky Group") currently have 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 intercompany facilities and loans.

Investment performance risk

The principal risk facing the Company relates to the recoverability of the Company's investment in subsidiaries. Recovery of these assets is dependent upon the generation of sufficient profits to pay dividends or from the proceeds of sale of such investments, in the event of their disposal. The Company reviews the carrying amount of its investments at each balance sheet date to determine whether there is any indication of impairment.

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 catalogue. 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 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 two 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.

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.

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

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.

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.

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

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 Comcast Bidco 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,

S Robson
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

26 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 LIMITED

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Sky 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 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:

- income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 21.

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).

2. 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 as applied to listed entities, 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.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: • Valuation of investments in subsidiaries. Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used in the current year was £280m which was determined on the basis of 1.2% of total assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	For the year ended 31 December 2023, there have been no significant changes in our approach.

4. 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 its fellow Sky undertakings ("Sky Group"), as the entity assists in financing the operations of the Sky Group;
- assessing how cash requirements are met, internally by Sky Group or by using the facilities provided by the Sky Group's ultimate parent company, Comcast Corporation;
- evaluating the intent and ability Comcast Corporation provide financial 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.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. Key audit matters (continued)

5.1. Valuation of investments in subsidiaries

Key audit matter description	The company has unlisted investments in subsidiaries of £13,337m as at 31 December 2023 (2022: £15,995m), valued at cost less accumulated impairment. These investments are highly material to the company as they account for 58% (2022: 61%) of total assets. The company's investments include the entire trading business of Sky Group, including the UK, Italy and Germany. The net decrease in the value of investments in subsidiaries was due an impairment charge of £7.2 billion and offset by further the company subscribing for additional shares in Sky UK Limited for £4.5 billion in the year. The valuation of investments is a significant judgement area resulting from several assumptions made in the valuation process to determine the recoverable amount as per IAS 36. The valuation is inherently subjective due to the absence of a liquid market for these investments. The complexity of this methodology as well as assumptions taken in the financial models mean that there is a risk that the value of these investments determined by management may not be appropriate. This takes into consideration a range of factors such as the trading performance of the wider business, interest rates and future prospects of the business that have an impact on the long-term forecast cash flows. The significance of the estimates and judgements involved, coupled with the fact that a small percentage difference in the key assumptions, could result in a material impact on the financial position. Further details are included within the strategic and directors' report on page 2 and note 8 to the financial statements.
How the scope of our audit responded to the key audit matter	To address the risk of valuation of investments in subsidiaries, our audit procedures included: • obtaining an understanding of relevant controls related to the valuation of unlisted investments in subsidiaries; • obtaining an understanding of management's test of impairment in investments in subsidiaries held within Sky Limited as at 31 December 2023; • obtaining an understanding of potential indicators of impairment; • challenging management's assessment of the value-in-use model, including assessing and challenging forecasts, the model and the assumptions used. This further included involving our fair value specialists and leveraging their cumulative knowledge and expertise; and • searching for contradictory evidence or bias in management's judgement and conclusions in respect of the recoverable amount determined by management.
Key observations	Based on the work performed we concluded that the valuation of unlisted investments in subsidiaries is appropriate as of 31 December 2023.

Auditor's report (continued)

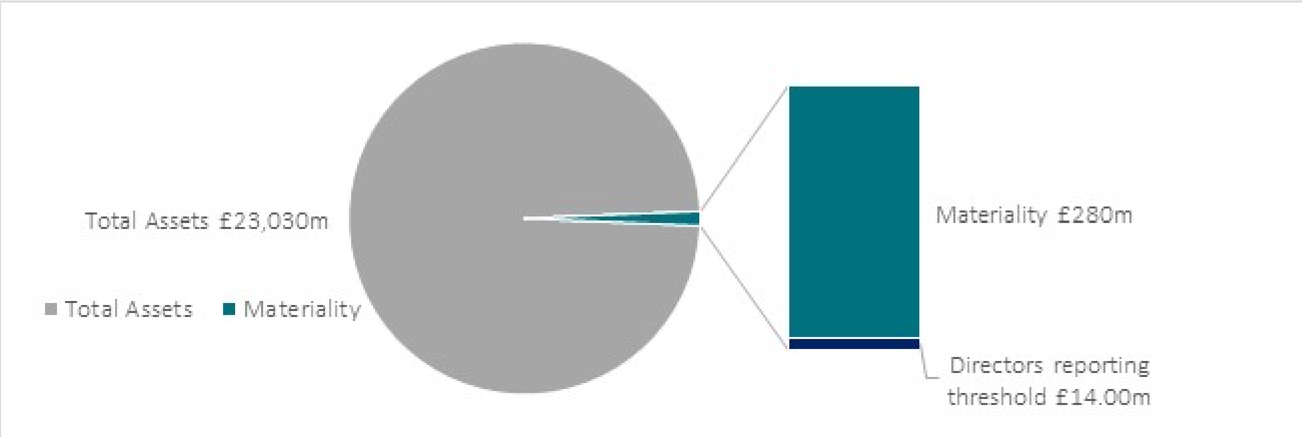
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£280m (2022: £300m)
Basis for determining materiality	1.2% (2022: 1.2%) of total assets.
Rationale for the benchmark applied	The entity's purpose is to act as a holding company and finance the operations of the wider Group. The total assets which the company holds exist to conduct this function, and as such are of key importance to the operations of the company.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2023 audit (2022: 70%). In determining performance materiality, we considered the following factors:

1. Our risk assessment, including our assessment of the company's overall control environment; and
2. Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

6.3. Error reporting threshold

We agreed with the directors that we would report to the directors all audit differences in excess of £14m (2022: £15m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

8. 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.

9. 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.

10. 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.

11. 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.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, IT, fair value and financial instrument specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of investments in subsidiaries. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that 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.

11.2. Audit response to risks identified

As a result of performing the above, we identified valuation of investments in subsidiaries as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. 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.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. 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
26 June 2024

Income Statement

For the year ended 31 December 2023

	Notes	**2023 £m**	2022 £m
Revenue	3	**324**	321
Operating expense	4	**(29)**	(28)
Operating (loss)/profit		**295**	293
Impairment of investments	8	**(7,200)**	-
Investment income	5	**308**	121
Finance costs	5	**(648)**	(194)
(Loss)/profit before tax	6	**(7,245)**	220
Tax	7	**-**	(30)
(Loss)/profit for the year attributable to equity shareholder		**(7,245)**	190

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

All results relate to continuing operations.

Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	**2023**	2022
		£m	£m
(Loss)/profit for the year attributable to equity shareholder		**(7,245)**	190
Other comprehensive income			
Amounts recognised directly in equity that may subsequently be recycled to the income statement			
Gain on cash flow hedges		**-**	71
Tax on cash flow hedges	7	**1**	2
Amounts reclassified and reported in the income statement			
Loss on cash flow hedges		**(5)**	(79)
Other comprehensive expense for the year (net of tax)		**(4)**	(6)
Total comprehensive (expense)/income for the year attributable to equity shareholder		**(7,249)**	184

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** **£m**	2022 £m
Non-current assets			
Investment in subsidiaries	8	**13,337**	15,995
Intangible assets	9	**5**	5
Deferred tax assets	10	**1**	-
Trade and other receivables	11	**8,567**	10,053
Total non-current assets		**21,910**	26,053
Current assets			
Trade and other receivables	11	**1,072**	181
Total current assets		**1,072**	181
Total assets		**22,982**	26,234
Current liabilities			
Borrowings	12	**385**	754
Trade and other payables	13	**1,182**	211
Current tax liabilities	7	**-**	-
Total current liabilities		**1,567**	965
Net current liabilities		**(495)**	(784)
Non-current liabilities			
Borrowings	12	**2,176**	3,251
Trade and other payables	13	**11,753**	11,719
Derivative financial liabilities	14	**10**	11
Deferred tax liabilities	10	**-**	-
Total non-current liabilities		**13,939**	14,981
Total liabilities		**15,506**	15,946
Equity			
Share capital	16	**873**	873
Share premium	17	**25**	5,025
Reserves	17	**1,049**	1,053
Retained Earnings		**5,529**	3,337
Total equity attributable to equity shareholder	17	**7,476**	10,288
Total liabilities and shareholder's equity		**22,982**	26,234

Balance Sheet (continued)

As at 31 December 2023

The accompanying notes are an integral part of this balance sheet.

The financial statements of Sky Limited, registered number 02247735 were approved by the Board of Directors on 26 June 2024 and were signed on its behalf by:

S Robson
Director

26 June 2024

Statement of Changes in Equity

For the year ended 31 December 2023

	Share Capital £m	Share premium £m	Special reserve £m	Capital redemption reserve £m	Capital reserve £m	Hedging reserve £m	Retained earnings £m	Total shareholder's equity £m
At 1 January 2022	873	5,025	14	190	844	11	3,247	10,204
Profit for the year	-	-	-	-	-	-	190	190
Recognition and transfer of cash flow hedges	-	-	-	-	-	(6)	-	(6)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(6)**	**190**	**184**
Dividends	-	-	-	-	-	-	(100)	(100)
At 31 December 2022	**873**	**5,025**	**14**	**190**	**844**	**5**	**3,337**	**10,288**
Loss for the year	-	-	-	-	-	-	(7,245)	(7,245)
Recognition and transfer of cash flow hedges	-	-	-	-	-	(4)	-	(4)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**(4)**	**(7,245)**	**(7,249)**
Issue of share capital	-	4,542	-	-	-	-	-	4,542
Reduction of share premium	-	(9,542)	-	-	-	-	9,542	-
Dividends	-	-	-	-	-	-	(105)	(105)
At 31 December 2023	**873**	**25**	**14**	**190**	**844**	**1**	**5,529**	**7,476**

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

For a description of the nature and purpose of each equity reserve, see note 17.

Notes to the financial statements

1. Company information

Sky Limited (the "Company") is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Grant Way, Isleworth, Middlesex, TW7 5QD, United Kingdom and registered number is 02247735.

The company's principal activities are set out in the Strategic report.

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(n).

b) Basis of preparation

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

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

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

As a result, after making enquiries, the Directors have formed a judgement at the time of approving the financial statements that the Company will have access to adequate resources to continue for at least 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.

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

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by section 401 of the Companies Act 2006, because it is a wholly-owned subsidiary of Comcast Corporation ("Comcast") which prepares consolidated financial statements which are publicly available (see note 21).

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.

c) Revenue recognition

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

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

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 from licensing the Sky brand name to subsidiaries. Revenue is recognised in the Income Statement over the year that the licence is held.

2. Material accounting policies (continued)

d) IFRS 9 - 'Financial Instruments'

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

These loss rates are based on, inter alia, the entity's historical credit losses, adjusted for reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions, in order to derive an expectation.

Amounts due from Group companies are typically non-interest bearing and are repayable on demand. With respect to impairment provisions under IFRS 9, an expectation of credit losses for intercompany loan receivables is required, taking into consideration similar factors as for third party balances above, in addition to entity's ability to trade and borrow as part of the wider Group, in order to settle the receivables.

e) Intangible assets

Intangible assets, which are acquired by the Company separately or through a business combination, are initially stated at cost or fair value, respectively, less accumulated amortisation and impairment losses.

Amortisation of an intangible asset begins when the asset is available for use, and is charged to the Statement of Comprehensive Income through operating expense over the asset's useful economic life in order to match the expected pattern of consumption of future economic benefits embodied in the asset.

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

2. Material accounting policies (continued)

f) 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 Alternative Reference Rate (ARR) curve, adjusted by the relevant credit default swap curve.

Certain other derivatives held by the Company do not meet the qualifying criteria for recognition for accounting purposes as hedges, despite this being their economic function. Changes in the fair values of these derivatives are recognised immediately in the Income Statement. The Company does not hold or issue derivatives for speculative purposes.

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.

i. Derivatives that qualify for cash flow hedge accounting

Amounts accumulated in the hedging reserve are subsequently recognised in the Income Statement when the related hedged item is recognised in the Income Statement. At inception, the effectiveness of the Company's cash flow hedges is assessed through a comparison of the principal terms of the hedging instrument and the underlying hedged item. The ongoing effectiveness of the Company's cash flow hedges is assessed using the dollar-offset approach, with the expected cash flows of hedging instruments being compared to the expected cash flows of the hedged items. This assessment is used to demonstrate that each hedge relationship is expected to be highly effective on inception, has been highly effective in the year and is expected to continue to be highly effective in future years. The measurement of hedge ineffectiveness for the Company's hedging instruments is calculated using the hypothetical derivative method, with the fair values of the hedging instruments being compared to those of the hypothetical derivative that would result in the designated cash flow hedge achieving perfect hedge effectiveness.

The excess of the cumulative change in the fair value of the actual hedging instrument compared to that of the hypothetical derivative is deemed to be hedge ineffectiveness, which is recognised in the Income Statement.

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.

2. Material accounting policies (continued)

g) 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.

ii. Trade and other payables

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

iii. 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.

h) 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 financial assets (see accounting policy g) and deferred taxation (see accounting policy j) 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.

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.

2. Material accounting policies (continued)

i) Investment in subsidiaries

An investment in a subsidiary is recognised at cost less any accumulated impairment. As permitted by section 133 of the Companies Act 2006, where the relief afforded under section 131 of the Companies Act 2006 applies, cost is the aggregate of the nominal value of the relevant number of the Company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings.

j) Tax, including deferred tax

The Company's liability for current tax is based on taxable loss for the year, and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date. Tax losses are surrendered as far as possible to other group entities with taxable profits.

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 the goodwill and initial recognition of assets or liabilities that affect neither accounting profit nor taxable loss are not provided for. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that have been enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and adjusted to reflect an amount that is probable to be realised based on the weight of all available evidence. Deferred tax is calculated at the rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax assets and liabilities are not discounted. Deferred tax is charged or credited in the Income Statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also included within equity.

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

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

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

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

2. Material accounting policies (continued)

k) Distributions to equity shareholders

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

The cost of repurchasing the Company's own equity shares for cancellation ("share buy-backs") is recorded in retained earnings. In addition, the nominal cost of shares repurchased is deducted from share capital and a matching credit is recorded in the capital redemption reserve.

l) Foreign currency translation

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.

The assets and liabilities of the Company's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the applicable monthly average exchange rates. Any exchange differences arising are classified as equity within the foreign currency translation reserve.

m) Investment income and finance costs

Investment income and finance costs are recognised on an accruals basis in accordance with the relevant interest percentages

n) 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 members of a group.

o) 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 not considered to be any critical judgements applied in the preparation of the financial statements.

Critical areas of estimation, determined as being areas 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, are disclosed below.

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

Investment in Subsidiaries - impairment review

The carrying value of the Company's investment in other Group companies is supported by either the historical cost value of underlying investments, their fair value (if, for example, a recent third party valuation report is available) or their value-in-use, which is contingent on the Company's judgement in selecting key assumptions and in its estimation of future financial performance.

This estimation is underpinned by the Sky Group's latest available long-range plan and extrapolated beyond the forecast period using reasonable assumptions. Given the nature of Sky's subscription-based business model and significantly fixed and committed cost base, management has sufficient confidence in its ability to execute and realise these plans.

The assessment of the value-in-use of investments in these businesses is sensitive to the method, assumptions and estimates underlying the calculations. The sensitivity of the outcome to plausible changes in key inputs, is considered as part of the judgement in making the assessments. If the Company's investments do not achieve the results included in the forecast, this could result in an impairment in future periods. Uncertainty around key sources of estimation will be resolved through the passage of time, potentially over the course of several years depending on events, as future performance materialises, and latest forecasts can be considered.

3. Revenue

	2023	2022
	£m	£m
Operating revenue	**324**	321
	324	321

The Company's main source of revenue is from licensing the Sky brand name to subsidiaries. Revenue is recognised in the Income Statement over the year that the licence is held. Revenue arises from services provided to the United Kingdom.

4. Operating expense

	2023	2022
	£m	£m
Sales, general and administration	**29**	28
	29	28

5. Investment income and finance costs

	2023 £m	2022 £m
Investment income		
Intercompany interest receivable[(i)]	**308**	121
	308	121

	2023 £m	2022 £m
Finance costs		
Interest payable and similar charges		
Guaranteed Notes (see note 11)	**(106)**	(141)
Intercompany interest payable [(ii)]	**(553)**	(61)
	(659)	(202)
Other finance Income / (Expense)		
Remeasurement of borrowings and borrowings-related derivative financial instruments (not qualifying for hedge accounting)	**115**	(247)
Foreign exchange (loss)/gain arising on intercompany loan agreement	**(111)**	253
Gain on sale of partial Bond settlement	**7**	2
	11	8
Total finance costs	**(648)**	(194)

(i) Intercompany interest is receivable on certain loans to Sky Operational Finance Limited and certain loans to Sky UK Limited (see note 11).

(ii) Intercompany interest is payable on loans from Comcast Corporation, Sky UK limited and Sky UK Investments Limited (see note 13).

6. (Loss)/profit before taxation

Audit fees

Amounts paid to the auditor for the audit of the Company's annual financial statements of £108,200 (2022: £102,400). No amounts for other services have been paid to the auditor.

7. Tax

a) Tax recognised in the income statement

	2023	2022
	£m	£m
Current tax expense		
Current year	**-**	30
Total current tax charge	**-**	30
Tax (credit)/charge	**-**	30

b) Tax recognised directly in equity

	2023	2022
	£m	£m
Deferred tax charge relating to cash flow hedges	**(1)**	(2)
Total tax recognised directly in equity	**(1)**	(2)

c) Reconciliation of effective tax rate

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

	2023	2022
	£m	£m
(Loss)/profit before tax	**(7,245)**	220
(Loss)/profit before tax multiplied by rate of corporation tax in the UK of 23.5% (2022: 19.0%)	**(1,702)**	42
Other permanent differences	**1,692**	-
Group relief surrendered/(claimed) for £nil consideration	**10**	(12)
Tax	**-**	30

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

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. Investment in subsidiaries and associates

The movement in the year was as follows:

	2023	2022
	£m	£m
Cost and funding		
Beginning of year	**17,000**	10,400
Subscription for shares	**4,542**	6,600
End of year	**21,542**	17,000
Amounts provided		
Beginning of year	**(1,005)**	(1,005)
Impairment of Investment in Sky UK Limited	**(7,200)**	-
End of year	**(8,205)**	(1,005)
Net book value		
Beginning of year	**15,995**	9,395
End of year	**13,337**	15,995

Investments in subsidiaries shown above represent the cost of the shares of the subsidiary undertakings plus capital contributions, less provisions made for any impairment in value.

The Company and its subsidiaries are involved in the operation of pay television broadcasting and home communications services, including the provision of broadband and telephone operations. Certain subsidiary companies provide ancillary functions which support these operations. Joint ventures and associates are involved in the transmission of specialist channels and the production of television programming.

During the period the Company subscribed for £4,542 million shares in Sky UK Limited, exchanging a loan note issued by Sky UK Limited that it received following the issue of 1 share to Comcast Bidco Limited (see note 16) as part of a wider Group exercise to improve the net debt position of Sky UK Limited.

Subsequently, following an impairment review, a £7,200 million impairment charge was recognised in the Company's investment in Sky UK Limited. This impairment relates to a decline in the recoverable amount of Sky UK Limited, primarily due to adverse macroeconomic conditions resulting in reduced estimated future cash flows for Sky UK Limited and its subsidiaries, and a higher discount rate being used in value in use calculations.

The recoverable amount was calculated using the value-in-use of the investment, in which expected future cash flows were discounted to present value using a discount rate of 10.3%. Expected future cash flows were based on amounts forecast in budgets and multi-year business plans, derived using management assumptions based on past experience and expectations regarding developments in relevant market sectors in Germany, Italy and the UK.

A 1% increase in the discount rates applied would result in an impairment charge for 2023 of £8,830 million. Conversely, a decrease of 1% in the discount rates applied would result in an impairment charge for 2023 of £5,160 million.

Unless otherwise indicated, all shareholdings owned directly or indirectly by the Company represent 100% of the issued share capital of the subsidiary and the share capital is comprised of ordinary shares. All entities primarily operate in their country of incorporation and are listed at their registered addresses.

8. Investment in subsidiaries and associates (continued)

Details of all investments of the Company are as follows:

Subsidiaries

Incorporated in England and Wales
Sky Central, Grant Way, Isleworth, Middlesex TW7 5QD

Name
Direct Holdings
British Sky Broadcasting Group Limited
Picnic Limited
Sky Finance Europe Limited
Sky Group Finance Limited
Sky Guarantee Investments Limited
Sky Operational Finance Limited
Sky Television Limited
Sky UK Limited
Indirect holdings
365 Media Group Limited
Active Voices Limited
Agreed Voices Limited
Amstrad Limited
Blast! Films Limited
Blast! Films - Hunger Limited
Blast! Films - One Day Limited
British Sky Broadcasting Limited
Ciel Bleu 6 Limited
Cymru International Limited
Diagonal View Limited
Directed Voices Limited
Dolphin TV Limited
Factual Voices Limited
Independent Fibre Retail Limited
International Channel Pack Distribution Limited
Kidsprog Limited
Love Productions Limited
Low Voices Limited
MDOA Limited
Multicultural & Ethnic Media Sales Limited
NBC Universal Global Networks UK Limited
Neos Ventures Limited
Newserge Limited
Noon Systems Limited
NOW TV Limited
Parthenon Media Group Limited
Parthenon 2 Limited
Plant Sub-Ocean Ltd Parnershup (85%)
Production Voices Limited

8. Investment in subsidiaries and associates (continued)

Subsidiaries (continued)

Rising Voices Limited
Rivals Digital Media Limited
S.A.T.V. Publishing Limited
Scripted Voices Limited
Sky Comedy Limited
Sky Corporate Secretary Limited
Sky CP Limited
Sky Europe Limited
Sky Global Media Limited
Sky Group Limited
Sky Healthcare Scheme 2 Limited
Sky History Limited
Sky Holdings Limited
Sky Home Communications Limited
Sky In-Home Service Limited
Sky International Limited
Sky International Operations Limited
Sky IP International Limited
Sky IQ Limited
Sky LLU Assets Limited
Sky Mobile Services Limited
Sky New Media Ventures Limited
Sky News Limited
Sky Ocean Ventures Partner Limited
Sky Pension Plan Trustees Limited
Sky Publications Limited
Sky Retail Stores Limited
Sky SNA Limited
Sky SNI Limited
Sky SNI Operations Limited
Sky Studios Limited
Sky Studios Productions Limited
Sky Subscribers Services Limited
Sky Telecommunications Limited
Sky Telecommunications Services Limited
Sky UK Investments Limited
Sky Ventures Limited
Sugar Films Limited
The Cloud Networks Limited
Third Day Productions Limited (dissolved 30 January 2024)
Transistor Films Limited
True North Productions Limited
Two Plus Voices Limited
Una Tickets Limited
Virtuous Systems Limited
Wider Voices Limited

8. Investment in subsidiaries and associates (continued)

Subsidiaries (continued)

Incorporated in the UK

Millbank Tower, 21-24 Millbank, London SW1P 4QP

Name
Indirect holdings
Attheraces Holdings Limited (50.413%)
Attheraces Limited
Attheraces (UK) Limited
Global Mutuel (UK) Limited
Go Racing Limited

Incorporated in Germany

Medienallee 26, 85774 Unterföhring, Munich

Name
Indirect holdings
BSkyB GmbH
NBC Universal Global Networks Deutschland GmbH
Sky Deutschland GmbH
Sky Deutschland Fernsehen Gmbh & Co.KG
Sky Deutschland Verwaltungs GmbH
Sky Deutschland Interaction Center I GmbH
Sky Deutschland Interaction Center II GmbH
Sky German Holdings GmbH
Sky Media GmbH

Oderstraße 59, 14513 Teltow, Potsdam

Name
Indirect holdings
Sky Deutschland Customer Center GmbH

Eckdrift 109, 19061 Schwerin-Krebsförden

Name
Indirect holdings
Sky Deutschland Service Center GmbH

8. Investment in subsidiaries and associates (continued)

Subsidiaries (continued)

Theresienstraße 47 a, 80333, Munich
Name
Indirect holdings
Infobonn Text, Informations und Pressebüro Verwaltungsgesellschaft mbH
DFA Deutsche Fernsehnachrichten Agentur GmbH
GIGA Television GmbH
ZAP Television Beteiligungs GmbH (83.5%)

Kaistr. 3, 40221 Dusseldorf
Name
Indirect holdings
ZAP Television GmbH & Co. KG (83.5%)

Incorporated in Italy

Via Monte Penice, 7-20138 Milan
Name
Indirect holdings
Sky Italia S.r.l
Sky Italian Holdings S.p.A
Sky Italia Network Services S.r.l
Vision Distribution SpA (60%))

Incorporated in the USA

Corporation Trust Center 1209 Orange Street, Wilmington, New Castle, Delaware, 19801
Name
Indirect holdings
BSkyB US Holdings, Inc.
Znak & Co LLC

c/o Comcast Capital Corporation, 1201 N. Market Street, Suite 1000, Wilmington, Delaware 19801
Name
Indirect holdings
Big Sky Music, LLC
Callisto Media West, LLC
Catalina Content, LLC
Jupiter Entertainment, LLC
Jupiter Entertainment Holdings LLC
Jupiter Entertainment North, LLC
Octave Productions LLC
The Production Hive, LLC

8. Investment in subsidiaries and associates (continued)

Subsidiaries (continued)

c/o CT Corporation System, 300 Montvue Road, Knoxville, TN 39919-5546
Name
Indirect holdings
PhotoOps, LLC

CT Corp. 330 N Brand Boulevard, Glendale, CA 91203-2336
Name
Indirect holdings (subsidiaries of Love Productions Limited)
Cotham Hill Productions, LLC
Eagle Street Productions, LLC
Jet Tracks, LLC
Love American Journeys, LLC
Love Production USA, Inc
Media Core, LLC
USA Love Development, LLC
International Journeys, LLC
Welcome to Hollywood, LLC

CSC-Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA95833-3505
Name
Indirect holdings (subsidiaries of Love Productions Limited)
Baking Show, LLC

The Corporation Trust Company. Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE19801
Name
Indirect holdings
Neos Ventures, Inc

Incorporated in other overseas countries

Austria - Handelskai 92, 1200 Wien
Name
Indirect holdings
Sky Österreich Fernsehen GmbH
Sky Österreich Verwaltung GmbH

Belgium - Boulevard Charlemagne 1, 1041 Brussels
Name
Indirect holdings
Sky Channel SA

8. Investment in subsidiaries and associates (continued)

Subsidiaries (continued)

Denmark - Aagade 15B, 9000 Aalborg, Denmark
Name
Direct holdings
Sky Labs Aalborg A/S

Hong Kong - Level 54, Hopewell Centre, 183 Queen's Road East
Name
Indirect holdings
Sky Manufacturing Services Limited

Ireland - Fifth Floor, One Burlington Plaza, Burlington Road, Dublin 4
Name
Indirect holdings
Sky Ireland Limited

Poland - ul. Rondo Daszyriskiego 2b, 00-843 Warszawa
Name
Indirect holdings
Sky Supply Chain Services Poland Sp. z o.o.

Switzerland - Rue du Puits-Godet 10, Neuchâtel
Name
Indirect holdings
Sky Switzerland SA

Switzerland - Bleicherweg 10, Zurich, Switzerland
Name
Indirect holdings
Sky International AG

9. Intangible assets

	IP Rights	Total
	£m	£m
Cost		
At 31 December 2022	5	5
At 31 December 2023	**5**	**5**
Carrying amounts		
At 31 December 2022	5	5
At 31 December 2023	**5**	**5**

In 2021 Sky International AG (SIAG) transferred and licenced IP rights (trademarks and domain names, excluding News and Radio) to Sky Limited.

10. Deferred tax

Recognised deferred tax assets/(liabilities)

	Financial instruments temporary differences	Total
	£m	£m
At 31 December 2021	(2)	(2)
Charge to equity	2	2
At 31 December 2022	-	-
Charge to equity	**1**	**1**
At 31 December 2023	**1**	**1**

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%).

11. Trade and other receivables

	2023 £m	2022 £m
Amounts receivable from parent company	**6**	-
Amounts receivable from subsidiaries	**1,029**	180
Prepayments and other receivables	**37**	1
Current other receivables	**1,072**	181
Non-current amounts receivable from subsidiaries	**8,567**	10,053
Total trade and other receivables	**9,639**	10,234

Amounts receivable from parent company

Amounts are receivable from the parent company, are unsecured, non-interest bearing and repayable on demand.

Amounts receivable from subsidiaries

Current

Amounts due from subsidiaries as at 31 December 2023 are £1,029 million (2022: £180 million).

On 23 March 2023, the Company made a loan of €734 million to Sky UK Limited. The loan bears interest at a rate of 3 month Euribor + 1.25% and is expected to be settled in 2024. At 31 December 2023 the balance of the loan was £644 million (2022 £nil).

On 23 July 2020 the Company entered into an agreement with Sky UK Limited for a loan of $1.25 billion. The loan is interest bearing at a rate of 0.45% per annum and is repayable on 16 September 2024. At 31 December 2023 the balance on the loan including interest was £385 million million (2022: £1,039 million under non-current receivables).

Non-Current

On 17 November 2015, the Company made a loan of £356 million to Sky Operational Finance Limited. This loan bears interest at 3.721% and is repayable on demand. At 31 December 2023 the balance of the loan was £358 million (2022: £358 million).

On 1 April 2015, the Company made a loan of €600 million to Sky Operational Finance Limited. This loan bears interest at 3 month EURIBOR plus 0.75% and is repayable on demand. At 31 December 2023 the balance of the loan was £523 million (2022: £532 million).

On 27 November 2014, the Company made a loan of €400 million to Sky Operational Finance Limited. This loan bears interest at 2.750% and is repayable on demand. At 31 December 2023 the balance of the loan was £348 million (2022: £356 million).

On 23 November 2022 the Company entered into an agreement with Sky UK Limited for a loan of £3.2 billion. The loan is interest bearing at a rate of 5.40% per annum and is expected to be repaid on 23 November 2027. At 31 December 2023 the balance on the account including interest was £3,244 million (2022: £3,218 million).

On 24 November 2014, the Company made loans of €850 million and €126 million to Sky Operational Finance Limited. These loans bear interest at a rate of 1.875% and 2.940% respectively and are repayable on demand. During 2023 the €850 million loan was repaid. At 31 December 2023 the balance of the loans were £nil and £109 million respectively (2022: £756 million and £112 million respectively).

On 16 September 2014, the Company made loans of €969 million to Sky Operational Finance Limited. This loan bears interest at 2.187% and is repayable on demand. An amount of €469 million was settled on 22 July 2020 leaving the remaining €500m on the loan. At 31 December 2023 the balance of the loan was £436 million (2022: £446 million).

On 15 September 2014, the Company made loans of €1,500 million and €1,000 million to Sky Operational Finance Limited. These loans bear interest at 1.500% and 2.500% respectively and are repayable on demand. At 31 December 2023 the balance of the loans were £1,306 million and £873 million respectively (2022: £1,337 million and £894 million respectively).

All other amounts receivable from subsidiaries are unsecured, non-interest bearing and are also repayable on demand. The Directors consider that the carrying amount of other receivables approximates their fair values.

The Company is exposed to credit risk on its trade and other receivables, which are entirely with other members of the Group and represents a concentration of risk. No allowances have been recorded against amounts receivable from Group companies as the expected credit loss on these balances is assessed as being immaterial. No other impairments have been recognised in relation to any intercompany balances.

12. Borrowings

	2023 £m	2022 £m
Current Borrowings		
US$1,250 million of 3.75% Guaranteed Notes repayable in September 2024	**385**	-
€850 million of 1.875% Guaranteed Notes repayable in November 2023	**-**	754
Total Current Borrowings	**385**	754
Non-Current Borrowings		
US$1,250 million of 3.75% Guaranteed Notes repayable in September 2024	**-**	1,038
€500m of 2.250% Guaranteed Notes repayable in November 2025	**432**	443
€1,000 million of 2.5% Guaranteed Notes repayable in September 2026	**865**	885
£300 million of 6.000% Guaranteed Notes repayable in May 2027	**299**	298
£300 million of 4.0% Guaranteed Notes repayable in November 2029	**235**	234
€400 million of 2.75% Guaranteed Notes repayable in November 2029	**345**	353
Total Non-Current Borrowings	**2,176**	3,251
Total	**2,561**	4,005

12. Borrowings (continued)

At 31 December 2023 the Company had in issue the following Guaranteed Notes:

		Interest Rate Hedging		Hedged Interest Rates	
	Hedged Value	**Fixed**	**Floating**	**Fixed**	**Floating**
	£m	**£m**	**£m**		
Non-Current Borrowings					
£300 million of 6.0% Guaranteed Notes repayable in May 2027	**300**	**300**	**-**	**6.000%**	**-**
£300 million of 4.0% Guaranteed Notes repayable in November 2029	**200**	**200**	**-**	**4.000%**	**-**
	500	**500**	**-**		
	€m	**€m**	**€m**		
€500 million of 2.250% Guaranteed Notes repayable in November 2025	**500**	**500**	**-**	**2.250%**	**-**
€1,000 million of 2.5% Guaranteed Notes repayable in September 2026	**1,000**	**1,000**	**-**	**2.500%**	**-**
£300 million of 4.0% Guaranteed Notes repayable in November 2029	**126**	**126**	**-**	**2.943%**	**-**
€400 million of 2.75% Guaranteed Notes repayable in November 2029	**400**	**400**	**-**	**2.750%**	**-**
	2,026	**2,026**	**-**		
	$m	**$m**	**$m**		
US$1,250 million of 3.75% Guaranteed Notes repayable in September 2024	**491**	**491**	**-**	**3.750%**	**-**
	491	**491**	**-**		

12. Borrowings (continued)

At 31 December 2022 the Company had in issue the following Guaranteed Notes:

		Interest Rate Hedging		Hedged Interest Rates	
	Hedged Value	**Fixed**	**Floating**	**Fixed**	**Floating**
	£m	**£m**	**£m**		
Non-Current Borrowings					
£300 million of 6.0% Guaranteed Notes repayable in May 2027	**300**	**300**	**-**	6.000%	-
£300 million of 4.0% Guaranteed Notes repayable in November 2029	**200**	**200**	**-**	4.000%	-
	500	**500**	**-**		
	€m	**€m**	**€m**		
€850 million of 1.875% Guaranteed Notes repayable in November 2023	**850**	**850**	**-**	1.875%	-
€500 million of 2.250% Guaranteed Notes repayable in November 2025	**500**	**500**	**-**	2.250%	-
€1,000 million of 2.5% Guaranteed Notes repayable in September 2026	**1,000**	**1,000**	**-**	2.500%	-
£300 million of 4.0% Guaranteed Notes repayable in November 2029	**126**	**126**	**-**	2.943%	-
€400 million of 2.75% Guaranteed Notes repayable in November 2029	**400**	**400**	**-**	2.750%	-
	2,876	**2,876**	**-**		
	$m	**$m**	**$m**		
US$1,250 million of 3.75% Guaranteed Notes repayable in September 2024	**1,250**	**1,250**	**-**	3.750%	-
	1,250	**1,250**	**-**		

The Cross-Currency Swaps relating to September 2024 and November 2025 bonds were terminated in July 2020. The September 2024 hedges were replaced with Intercompany loans to Sky UK Limited.

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

13. Trade and other payables

	2023 £m	2022 £m
Amounts payable to parent company	-	74
Amounts payable to ultimate parent company	1	1
Amounts payable to subsidiaries	1,156	102
Accruals	25	34
Current trade and other payables	**1,182**	211
Non-current amounts payable to ultimate parent company	1,820	1,863
Non-current amounts payable to subsidiaries	9,933	9,856
Non-current trade and other payables	**11,753**	11,719
Total trade and other payables	**12,935**	11,930

Amounts payable to parent company

There are current amounts due to the parent company totalling £nil (2022: £74 million) which are unsecured, non-interest bearing and are repayable on demand.

Amounts payable to ultimate parent company

There are current amounts due to the ultimate parent company £1 million (2022: £1 million) of which £1 million (2022: £1 million) is interest payable on non-current loans.

On 1 April 2020, the Company entered into an agreement with Comcast Corporation for a loan of €600 million. The loan is interest bearing at a rate of 0.25% per annum and is repayable on 20 May 2027. At 31 December 2023 the balance on the account was £521 million (2022: £532 million).

On 15 September 2021, the Company entered into agreements with Comcast Corporation for a loan of EUR €1,000 million and €500 million. The loan is interest bearing at a rate of 0% and 0.25% per annum respectively and are repayable on 14 September 2026 and 14 September 2029. At 31 December 2023 the balance on the account was £866 million (2022: £887 million) and £433 million (2022: £444 million).

Amounts payable to the subsidiaries

There are current amounts due to subsidiaries totalling £512 million (2022: £102 million); these represent trade payables, these are unsecured, non-interest bearing and are repayable on demand.

On 23rd March 2023, the Company entered into agreements with Sky UK Limited for a loan of €734 million. The loan is interest bearing at a rate of 3month EURIBOR +1.15% per annum and is expected to be settled in 2024. At 31 December 2023 the balance on the account was £644 million (2022: £nil).

On 23rd November 2022, the Company entered into agreements with Sky UK Investments Limited for a loan of £6.6 billion. The loan is interest bearing at a rate of 5.35% per annum and is expected to be repaid on 23 November 2027. At 31 December 2023 the balance on the account was £6,689 million (2022: £6,638 million).

On 23rd November 2022, the Company entered into agreements with Sky UK Investments Limited for a loan of £3.2 billion. The loan is interest bearing at a rate of 5.45% per annum and is expected to be repaid on 23rd November 2027. At 31 December 2023 the balance on the account was £3,244 million (2022: £3,219 million).

14. Derivatives and other financial Instruments

Fair Values

Set out below is a comparison of the carrying values and the estimated fair values of the Company's financial assets and financial liabilities at 31 December 2023 and 31 December 2022:

	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Financial Liabilities at Fair Value Income Statement	Total carrying value	Total fair values
	£m	£m	£m	£m	£m
At 31 December 2023					
Quoted Bond debt	**-**	**(2,561)**	**-**	**(2,561)**	**(2,561)**
Derivative financial instruments	**-**	**-**	**(10)**	**(10)**	**(10)**
Trade and other payables	**-**	**(12,935)**	**-**	**(12,935)**	**(13,439)**
Trade and other receivables	**9,639**	**-**	**-**	**9,639**	**9,804**
At 31 December 2022					
Quoted Bond debt	-	(4,005)	-	(4,005)	(3,977)
Derivative financial instruments	-	-	(11)	(11)	(11)
Trade and other payables	-	(11,930)	-	(11,930)	(12,209)
Trade and other receivables	10,234	-	-	10,234	10,331

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.
- Interest rate and cross currency swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

14. Derivatives and other financial Instruments (continued)

Fair Values (continued)

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

	2023				2022			
	Asset		**Liability**		Asset		Liability	
	Fair Value	**Notional**	**Fair Value**	**Notional**	Fair Value	Notional	Fair Value	Notional
	£m	**£m**	**£m**	**£m**	£m	£m	£m	£m
Cash flow hedges								
Derivatives not in a formal hedge relationship								
Cross-currency swaps	**-**	**-**	**(10)**	**100**	-	-	(11)	100
Total	**-**	**-**	**(10)**	**100**	-	-	(11)	100

The maturity of the derivative financial instruments is shown below:

	2023		2022	
	Asset	**Liability**	Asset	Liability
	£m	**£m**	£m	£m
In one year or less	**-**	**-**	-	-
Between one and two years	**-**	**-**	-	-
Between two and five years	**-**	**-**	-	-
In more than five years	**-**	**(10)**	-	(11)
Total	**-**	**(10)**	-	(11)

The fair values of financial assets and financial liabilities are determined as detailed below and all items held at fair value are classified as Level 2 in the fair value hierarchy, with the exception of the Company's quoted bond debt which is determined with reference to quoted market prices based on Level 1 of the fair value hierarchy.

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

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

Level 3: Fair values measured using inputs for the asset or liability that are not based on observable market data. Unlisted minority equity investments are held at fair value and are categorised as Level 3 in the fair value hierarchy. The Company utilises initial historical cost and also the fair value implied by latest funding rounds, as applicable, in determining fair values of unlisted investments at the balance sheet date.

14. Derivatives and other financial Instruments (continued)

Offsetting of financial assets and liabilities

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

	Gross amounts of recognised financial assets / (liabilities)	Gross amounts of financial assets / (liabilities) offset in the balance sheet	Net amounts presented in Balance Sheet	Related amounts not set off in the balance sheet: Right of set off with derivative counterparties	Net amount
	£m	£m	£m	£m	£m
At 31 December 2023					
Derivative financial liabilities	(10)	-	(10)	-	(10)
Total	(10)	-	(10)	-	(10)
At 31 December 2022					
Derivative financial liabilities	**(11)**	**-**	**(11)**	**-**	**(11)**
Total	**(11)**	**-**	**(11)**	**-**	**(11)**

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.

Changes in asset and liabilities arising from financing activities

	31 December 2022	Net (proceeds) repayments (3)	Interest Paid (3)	Net Financing Costs (2)	31 December 2023
	£m	£m	£m	£m	£m
Assets and liabilities arising from financing activities(1)	(4,050)	**1,331**	**112**	**11**	**(2,596)**

(1) Includes Borrowings £2,561 million (2022: £4,005 million), borrowings related Interest £25 million (2022: £34 million) and additional related liabilities of £10 million (2022: assets of £11 million).

(2) Includes fee amortisation, fair value and foreign exchange which impact the Income statement or other comprehensive income.

(3) Settlement via intercompany arrangements.

15. Financial risk management objectives and policies

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

The 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.

Market risk

The following table represents the corresponding carrying values and nominal amounts of derivatives in a continued hedge relationship as at 31 December 2023:

	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	Opening Balance 1 Jan 2023	(Gain) / Loss deferred to OCI	Gain / (Loss) recycled to finance income / costs	Reclass	Closing Balance 31 December 2023
		Assets	Liabilities						
	£m	£m	£m		£m	£m	£m	£m	£m
Cash Flow Hedges									
Foreign Currency risk									
Discontinued hedge	-	-	-		(7)	-	5	-	(2)

The following table represents the changes in value of hedging instrument and hedged item for calculating hedge ineffectiveness as at 31 December 2023:

	Hedging Instrument	Change in value of hedging instrument for calculating hedge ineffectiveness	Change in value of hedged item for calculating hedge ineffectiveness
		£m	£m
Cash Flow Hedges			
Foreign Exchange Risk			

15. Financial risk management objectives and policies (continued)

Foreign exchange risk

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

A 25% strengthening in pounds sterling against the US dollar would have the beneficial effect on profit of £2 million (2022: £13 million), relating to non-cash movements in the valuation of derivatives. The same strengthening would have £nil impact on other equity (2022: adverse impact of £nil).

A 25% weakening in pounds sterling against the US dollar would have the adverse effect on profit of £4 million (2022: £21), relating to non-cash movements in the valuation of derivatives. The same weakening would have £nil impact on other equity (2022: beneficial impact of £nil).

A 25% strengthening in pounds sterling against the euro would have the an beneficial effect on profit of £15 million (2022: beneficial impact of £21 million), relating to non-cash movements in the valuation of derivatives. The same strengthening would have £nil impact on other equity (2022: impact of £nil).

A 25% weakening in pounds sterling against the euro would have an adverse impact on profit of £15 million (2022: adverse impact of £48 million), relating to non-cash movements in the valuation of derivatives. The same weakening would have £nil impact on other equity (2022: impact of £nil).

Interest rate risk

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

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

For each one hundred basis point rise or fall in interest rates at 31 December 2023, and if all other variables were held constant, the Company's profit for the year ended 31 December 2023 would decrease or increase by £6 million (2022: decrease or increase by £4 million) and other equity reserves would decrease or increase by £nil (2022: decrease or increase by £nil).

A one hundred basis point rise or fall in interest rates represents a large but realistic movement which can easily be multiplied to give sensitivities at different interest rates.

The sensitivity analyses provided are hypothetical only and should be used with caution as the impacts provided are not necessarily indicative of the actual impacts that would be experienced because the 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. In addition, the Company's actual exposure to market rates changes as the Company's portfolio of debt changes.

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.

Liquidity risk

The Company's financial liabilities are shown in note 13.

The principal source of liquidity is cash generated from operations, combined with access to a £6 billion revolving credit facility with its ultimate parent, Comcast Corporation, which expires in 2027. At 31 December 2023, this facility was drawn by £257m (31 December 2022: £3,408m). The Company benefits from this liquidity through intercompany facilities and loans.

15. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following table analyses the Company's financial liabilities into relevant maturity groupings based on the remaining year at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. The amounts disclosed may not reconcile to the amounts disclosed on the balance sheet for trade and other payables.

		Less than 12 months	Between one and two years	Between two and five years	More than five years
		£m	£m	£m	£m
At 31 December 2023					
Non-derivative financial liabilities					
Bonds - USD		**399**	**-**	**-**	**-**
Bonds – GBP		**27**	**27**	**364**	**245**
Bonds – EUR		**41**	**474**	**917**	**356**
Trade and other payables		**2**	**2**	**1,392**	**434**
Gross settled derivatives					
Liability	Outflow	**3**	**3**	**10**	**112**
	Inflow	**(4)**	**(4)**	**(12)**	**(104)**

		Less than 12 months	Between one and two years	Between two and five years	More than five years
		£m	£m	£m	£m
At 31 December 2022					
Non-derivative financial liabilities					
Bonds - USD		39	1,078	-	-
Bonds – GBP		30	30	354	324
Bonds – EUR		810	42	1,414	374
Trade and other payables		141	2	1,425	446
Gross settled derivatives					
Liability	Outflow	3	3	10	118
	Inflow	(4)	(4)	(12)	(108)

Credit risk

The Company's maximum exposure to credit risk on trade receivables is the carrying amounts disclosed in note 11. Given the amount and nature of the receivables balance, no allowance account has been made under IFRS 9, and there has been no write-off during the year.

The Company does not have any material interest rate exposure. Debt proceeds are loaned on to other Group companies at terms similar to the cost of the underlying borrowing, thereby limiting the interest rate risk that the Company would otherwise be subject to.

The Company is exposed to credit amounting to the positive fair value of derivative financial asset held. However, this risk is deemed to be low. Counterparty risk forms a central part of the Group's treasury policy, which is monitored and reported on regularly. Treasury policies ensure that all derivative transactions are only effective with strong relationship banks and at the date of signing each carried a minimum credit rating of "A-" or better from Standard and Poor's or "A3" or better by Moody's investors Service.

16. Share capital

	2023 Number	2023 £m	2022 Number	2022 £m
Authorised, called-up and fully paid				
Ordinary shares of £0.50 each				
Beginning of year	**1,745,540,264**	**873**	1,745,540,264	873
Issued during the year	**1**	**-**	-	-
End of year	**1,745,540,265**	**873**	1,745,540,264	873

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

During the year the Company issued 1 share to Comcast Bidco Limited, in exchange for a £4,542 million loan note issued by Sky UK Limited. The loan note was then exchanged for the issue of 1 share in the Company's subsidiary Sky UK Limited (see note 8). After the share issue, £9,452 million of the Company's share premium was cancelled into Retained Earnings.

17. Shareholders' equity

Share premium

During the year the Company issued 1 ordinary shares at a premium of £4,542 million.

On 10 December 2003, the High Court approved a reduction in the Company's share premium account of £1,120 million, as approved by the Company's shareholders at the AGM held on 14 November 2003. This amount was equal to the Company-only profit and loss account reserve deficit at 30 June 2003. As part of the application, the Company's balance sheet at 30 September 2003 was required to be presented. At that date, the deficit on the Company only profit and loss account reserve had reduced by £14 million since 30 June 2003, to £1,106 million. As a condition of the reduction, the reduction in the share premium account of £1,120 million was permitted to be offset against the profit and loss account reserve by the amount of the deficit at 30 September 2003. The excess of £14 million was credited to a special reserve, which is included in other reserves, and, under the terms of the reduction, will remain undistributable until all the creditors of the Company and its guarantors (as at 10 December 2003) are paid.

Other reserves

The Company's other reserves include a capital redemption reserve, a capital reserve and a special reserve. The capital redemption reserve was £190 million as at 31 December 2023 (2022: £190 million). The capital reserve was £844 million as at 31 December 2023 (2022: £844 million). The special reserve was £14 million as at 31 December 2023 (2022: £14 million).

18. Contracted commitments, contingencies and guarantees

The Company, together with Sky UK Limited, Sky Subscribers Services Limited, Sky Telecommunications Services Limited, Sky CP Limited and Comcast Corporation has given joint and several guarantees in relation to the outstanding Guaranteed Notes issued by Sky Group Finance Limited.

The Company has provided a parent company guarantee to Apple Distribution International in respect of all the payment obligations of Sky UK Limited under an iPhone distribution agreement.

The Company has provided parent company guarantees in respect of sports programming contracts entered into with the Premier League by Sky UK Limited, Sky Italia Srl and Sky Deutschland GmbH, and UEFA Champions League, and UEFA Europa League by Sky Deutschland GmbH, Sky Österreich Fernsehen GmbH and Sky Italia Srl.

19. Transactions with related parties

Derivative contracts on behalf of the Company

Sky UK Limited took out a number of swaps with counterparty banks in prior years on behalf of the Company. The face value of the swaps that had not matured or been terminated as at 31 December 2023 was £100 million (2022: £100 million).

Transactions with the immediate parent company

For details of amounts owed to the parent company, see note 13.

The Group's treasury function is responsible for liquidity management across the Group's operations. It is standard practice for the parent to lend cash to its subsidiaries as required, see note 13.

The Company has related party transactions with the parent company, other Group companies and subsidiary undertakings, as well as with other entities in the wider Comcast Group. The Group's treasury function is responsible for liquidity management across the Group's operations. It is standard practice for the Company to lend and borrow cash to and from the parent company, other Group companies and subsidiary undertakings as required.

For details of amounts owed by and owed to the parent company, other Group companies and subsidiary undertakings, see notes 11 and 13.

20. Dividends

	2023	2022
	£m	£m
2022 Interim dividend paid: 5.82p per ordinary share	**-**	100
2023 Interim dividend paid: 6.02p per ordinary share	**105**	-
	105	100

The 2023 interim dividend is 6.02 pence per ordinary share being £105 million.

21. Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of Comcast Bidco 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.