Sky In-Home Service Limited

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

Registered number: 02067075

Directors and Officers

For the year ended 31 December 2021

Directors

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

C Smith	
D E C Allan	
C R Jones	(appointed 14 October 2021)
T C Richards	(appointed 14 October 2021)

Secretary

Sky Corporate Secretary Limited

Registered office

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

Auditor

Deloitte LLP
Statutory Auditor
London

Strategic and Directors' Report

Strategic Report

The Directors present their Strategic and Directors' report on the affairs of the Company, together with the audited financial statements and Auditor's Report for the year ended 31 December 2021, with comparatives for the year ended 31 December 2020.

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

Business review and principal activities

The Company's purpose is to provide the Sky Group ("the Group") with a supply chain function which is responsible for the distribution of all equipment required to be used in the customer's home and by the engineers, together with the planning and operational management of the field force that undertakes all installation activity on behalf of the Group's customers. The Company also manages the relationship with the engineers that service the Group's platform. The Company acquires the set-top boxes and related equipment it uses within its operations, together with the outsourced repair and logistics operation that service the Sky platform, from Sky CP Limited, another Group company. The Directors expect that there will be no major changes in the Company's activities in the following year.

There have not been any significant changes in the Company's activities in the year under review.

Financial Review and Dividends

The audited financial statements for the year ended 31 December 2021 are set out on pages 14 to 41. The profit after tax for the year was £90 million (2020: profit of £40 million). The increase in profit during the year was primarily as a result of additional revenue recognised in the year as part of the Company's recharge arrangements with other companies in the Sky Group.
The Directors do not recommend the payment of a dividend for the year ended 31 December 2021 (2020: £nil). The balance sheet shows that the Company's shareholder's equity position at the year end was £471 million (2020: £381 million).

Key performance indicators (KPIs)

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

Principal risks and uncertainties

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

The Company's activities expose it to a number of financial risks including market risk, credit risk and liquidity risk. The use of financial derivatives is governed by the Comcast Group's treasury policy approved by Comcast Corporation's Audit Committee and Board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes. Refer to note 20 for further information.

Interest rate risk

The Company has financial exposure to UK interest rates arising from the investment of surplus cash, cash pooling arrangement and various loan balances with other companies within the Group.

Credit risk

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers, other than other Group companies. The cash balance at the end of the current year is £1 million (2020: £2 million).

Liquidity risk

The Company relies on the Comcast Group Treasury function to manage its liquidity and ensure that sufficient funds are available for ongoing operations and future developments. The Company currently has access to a £6 billion revolving credit facility with Comcast which is due to expire in 2027.

Legislation and Regulation risk

U.K. Exit from the European Union

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

Impacts of COVID-19

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

Employment policies

Organisation

Over the past year, the Company has continued in its efforts to make the Company a great place to work. The Company has continued to place particular focus on leadership capability, looking both at the Company's leaders of today and future leaders.

The average monthly number of full-time equivalent persons employed by the Company during the year was 4,066 (2020: 4,110).

Managing and developing our people

Equal opportunities

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

Inclusion

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

Employee engagement

At Sky we listen to our people and encourage everyone to be involved. We know great ideas come from all corners of our business and it is part of our "Believe in Better" spirit to harness those ideas for the benefit of our customers and our people. This year we gathered feedback from our teams through our People Survey.

Corporate Governance Statement

Code of conduct

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

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

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

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

Corporate Governance Statement (continued)

The Board

The Company's board (the "Board") comprises 4 directors as listed on page 2. The size, structure and composition of the Board is appropriate to meet the Company's strategic needs and challenges and reflects a balance in depth of skills and experience to promote effective decision making. The Directors did not receive remuneration for their role as statutory directors of the Company during the year because they are employees who receive remuneration for their employment with the Sky Group or Comcast Group.

Director Responsibilities

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

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

Opportunities & Risks

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

Streamlined Energy and Carbon Reporting

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

Sky follows three steps to become carbon neutral:

- Measure - we calculate our greenhouse gas emissions at the end of each financial year by calculating our Scope 1 and 2 CO_2e emissions (premises, company owned vehicles and refrigerant use) and Scope 3 emissions including business travel and waste sent to landfill.
- Reduce - we are committed to avoiding and reducing our emissions before offsetting to achieve our carbon neutral status. Performance against our targets can be reviewed in our Bigger Picture Impact Report.
- Offset - each year we offset our location-based Scope 1 and 2 emissions and selected Scope 3 emissions to make Sky a CarbonNeutral® Company across our operations. Carbon offsetting is compensating for your own, unavoidable emissions by financing an emission reduction project elsewhere. That finance purchases carbon credits, equivalent to one tonne of CO_2 each, which the emission reduction projects generate. These projects are audited by an independent third party.

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

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

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

Streamlined Energy and Carbon Reporting (continued)

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

The information provided is for Sky's UK and Ireland operations as a whole. Due to the complexity of the corporate structure in the UK and Ireland, further disaggregated reporting at an entity level is not available at this time. We believe users of the financial statements are well served by understanding the scope of Sky's emissions in the UK and Ireland as a whole, but will further assess a practical way to present this on an entity basis.

Methodology

We calculate our greenhouse gas emissions in carbon dioxide equivalent (CO_2e) for Scopes 1 and 2 according to the Greenhouse Gas Protocol Corporate Standard and associated guidance. We use the emission factors from the latest UK Government (DEFRA/BEIS) Greenhouse Gas Conversion Factors for Company Reporting (2021), IEA Statistics Data Service: Emission Factors (2021 edition) and the Association of Issuing Bodies: Version 1.0 2020 European Residual Mixes (2021 edition). Data for UK & Ireland includes Sky's Joint Ventures, small international offices and news bureaux and business activities in Portugal.

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

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

S172 Statement

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

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

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

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

Our Employees

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

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

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

The average monthly number of employees subject to contracts of service employed by the Company during the year was 4,066 (2020: 4,110).

S172 Statement (continued)

Our Partners

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

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

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

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

Our Communities

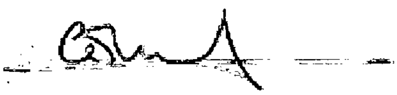
As part of the Comcast Group, a global media and technology company, we are committed to using the power of our platforms, our people and our reach to create positive change and a more equitable society. By supporting local communities, our teammates, and our planet we can help create a world of open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

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

Members

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

Approved by the Board and signed on its behalf by



C Smith
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

Date:14 September 2022

Directors' Report

The Directors present their annual report, together with the financial statements and auditor's report. The Directors who served during the year are shown on page 2.

The Directors do not recommend the payment of a final dividend in the current year (2020: £nil).

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

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

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

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

Auditor

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

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

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them was approved by the Board of Directors on 14 September 2022.

Approved by the Board and signed on their behalf by:

C Smith
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

14 September 2022

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 are required to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards as issued by the IASB. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor's Report

Independent auditor's report to the members of Sky In-Home Service Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Sky In-Home Service Limited (the 'company'):

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

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 26.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

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.

Auditor's Report (continued)

Independent auditor's report to the members of Sky In-Home Service Limited (continued)

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements. As a result of performing the above, we identified the greatest potential for fraud in the intercompany revenue recharge adjustment. We performed specific procedures to address this risk including:

- performing walkthroughs and tests of controls to confirm our understanding of the process by which revenue is calculated by the relevant billing systems;
- performing test of details on the operating costs, which forms the basis of the revenue recharge, by tracing to supporting evidence;
- verifying the mark-up charged on the costs to a signed inter-company agreement; and
- calculating an independent expectation of intercompany revenues.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house / external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Auditor's Report (continued)

Independent auditor's report to the members of Sky In-Home Service Limited (continued)

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

Jon Young

Jon Young FCA, (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Chartered Accountants and Statutory Audit Firm
14 September 2022

Income statement

For the year ended 31 December 2021

	Notes	2021 £m	2020 £m
Revenue	3	**680**	612
Operating expense	4	**(567)**	(557)
Operating profit		**113**	55
Finance income/(cost)	5	**-**	(2)
Profit before tax	6	**113**	53
Tax	9	**(23)**	(13)
Profit for the year attributable to equity shareholder		**90**	40

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

For the year ended 31 December 2021 and 31 December 2020, the Company did not have any other items of Comprehensive Income. Accordingly, no separate Statement of Comprehensive Income is presented.

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

Balance Sheet

As at 31 December 2021

	Notes	2021 £m	2020 Restated (Note 26) £m
Non-current assets			
Intangible assets	10	**10**	12
Property, plant and equipment	11	**1,124**	1,025
Right-of-use assets	12	**38**	33
Trade and other receivables	15	**1,046**	451
Total non-current assets		**2,218**	1,521
Current assets			
Inventories	14	**13**	17
Trade and other receivables	15	**434**	514
Cash and cash equivalents		**1**	2
Total current assets		**448**	533
Total assets		**2,666**	2,054
Current liabilities			
Trade and other payables	16	**2,114**	1,602
Lease liabilities	18	**14**	11
Provisions	17	**7**	9
Total current liabilities		**2,135**	1,622
Net current liabilities		**(1,687)**	(1,089)

Balance Sheet (continued)

As at 31 December 2021

	Notes	2021 £m	2020 Restated (Note 26) £m
Non-current liabilities			
Deferred tax liabilities	13	**25**	18
Lease liabilities	18	**34**	32
Provisions	17	**1**	1
Total non-current liabilities		**60**	51
Total liabilities		**2,195**	1,673
Share capital	21	**2**	2
Reserves	22	**469**	379
Total equity attributable to equity shareholder	22	**471**	381
Total liabilities and shareholder's equity		**2,666**	2,054

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

The financial statements of Sky In-Home Service Limited, registered number 02067075 were approved by the Board of Directors on 14 September 2022 and were signed on its behalf by:

C Smith
Director

14 September 2022

Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital £m	Retained earnings £m	Total shareholder's equity £m
At 1 January 2020	2	339	341
Profit for the year	-	40	40
Total comprehensive income for the year	**-**	**40**	**40**
At 31 December 2020	**2**	**379**	**381**
Profit for the year	-	90	90
Total comprehensive income for the year	**-**	**90**	**90**
At 31 December 2021	**2**	**469**	**471**

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

All results relate to continuing operations.

Cash Flow Statement

For the year ended 31 December 2021

	Notes	2021 £m	2020 £m
Cash flows from operating activities			
Cash generated from operations	23	**324**	397
Net cash from operating activities		**324**	397
Cash flows used in investing activities			
Purchase of property, plant and equipment	11	**(312)**	(396)
Purchase of intangible assets	10	**(2)**	(4)
Net cash used in investing activities		**(314)**	(400)
Cash flows generated (used in)/from financing activities			
Proceeds from intercompany revolving credit facilities and loans		**-**	7
Cash payments for the principal portion of lease liabilities		**(10)**	(5)
Cash payments for the interest portion of lease liabilities		**(1)**	(1)
Net cash (used in)/from financing activities		**(11)**	1
Net decrease in cash and cash equivalents		**(1)**	(2)
Cash and cash equivalents at the beginning of the year		**2**	4
Cash and cash equivalents at the end of the year		**1**	2

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

All cash flows relate to continuing operations.

Notes to the financial statements

1. Company information

Sky In-Home Service Limited (the "Company") is a private limited liability company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Grant Way, Isleworth, Middlesex, United Kingdom, TW7 5QD and registered number is 02067075. The Company's principal activities are set out in the Directors' report.

2. Significant accounting policies

a) Statement of compliance

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

b) Basis of preparation

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

Interest Rate Benchmark Reform (Phase 2) - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 16, IFRS 4 was applicable for the first time in 2021. It has no material impact on the financial statements of the Company.

The Company has adopted the new accounting pronouncements which became effective for this year.

Going concern

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

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

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

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

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

i. Intangible assets

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

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

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

Principal useful economic lives used for this purpose are:

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

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

2. Significant Accounting policies (continued)

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

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

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

The costs of assets comprise the following, where applicable:

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

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

Equipment, furniture and fixtures	3 to 20 years
Set-top boxes and routers	5 to 7 years

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

To the extent that the financing for a qualifying asset is part of the Group's general borrowings, the interest cost to be capitalised is calculated based upon the weighted average cost of borrowing to the Group (excluding the interest on any borrowings specific to any qualifying assets). This is then applied to the expenditures on the asset.

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

d) Inventories

Set-top boxes, routers and related equipment

Set-top boxes, routers and related equipment held for sale to customers are valued at the lower of cost and NRV, the latter of which reflects the value that the business expects to realise from the set-top boxes and related equipment in the hands of the customer, and are recognised through the operating expense line of the Income Statement. The cost of inventory is expensed on enablement, which is the process of activating the viewing card during installation, so as to enable a viewer to view encrypted broadcast services, and effectively represents the completion of the installation process for new customers. The amount recognised in the Income Statement is determined on a weighted average cost basis, in accordance with IAS 2 "Inventories".

e) Financial assets and liabilities

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.

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. Cash and cash equivalents

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

iii. Trade and other payables

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

2. Significant Accounting policies (continued)

f) Impairment

At each balance sheet date, in accordance with IAS 36 "Impairment of Assets", the Company reviews the carrying amounts of all its assets excluding inventories (see accounting policy d), non-current assets classified as held-for-sale, financial assets (see accounting policy e) and deferred taxation (see accounting policy k) to determine whether there is any indication that any of those assets have suffered an impairment loss.

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

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

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

g) Provisions

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

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

h) Revenue recognition

The Company's main source of revenue is derived from intercompany revenue earned from the supply chain services to other Group companies, which is recognised over time as the services are provided.

Revenue, Intercompany funded (i.e. intercompany not capitalised) 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.

2. Significant Accounting policies (continued)

i) Employee benefits

i. Wages, salaries and social security contributions

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

ii. Pension obligations

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

iii. Termination benefits

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

iv. Share based payments

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

The fair values of these payments are measured at the dates of grant using option-pricing models, taking into account the terms and conditions upon which the awards are granted. The fair value is recognised over the period during which employees become unconditionally entitled to the awards, subject to the Company's estimate of the number of awards which will be forfeited, either due to employees leaving the Company prior to vesting or due to non-market based performance conditions not being met.

Where an award has market-based performance conditions, the fair value of the award is adjusted for the probability of achieving these via the option pricing model. The total amount recognised in the Income Statement as an expense is adjusted to reflect the actual number of awards that vest, except where forfeiture is due to the failure to meet market-based performance measures. In the event of a cancellation, whether by the Company or by a participating employee, the compensation expense that would have been recognised over the remainder of the vesting year is recognised immediately in the Income Statement.

j) Leases

IFRS 16 removed the distinction between operating and finance leases and requires the recognition of a non-current asset representing the right to use the leased item, and a loan obligation for future lease payables, for all leases. The Company has elected to not apply the general requirements to short-term leases (lease term of 12 months or less). These leases will be recognised on a straight-line basis as an expense on the Income Statement over the term. The Company has also elected not to recognise non-lease components separately from lease components for those classes of assets in which non-lease components are not significant with respect to the total value of the arrangement.

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

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

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

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

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

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

2. Significant Accounting policies (continued)

k) Tax, including deferred tax

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

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

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

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

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

l) Foreign currency remeasurement

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

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

m) Accounting standards, interpretations and amendments to existing standards that are not yet effective

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning after 1 January 2021. These new pronouncements are listed below. The Directors are currently evaluating the impact of the adoption of these standards, amendments and interpretations in future periods.

- Covid-19 Related Rent Concessions – Amendment to IFRS 16 'Leases' (effective 1 April 2021)
- Annual Improvements to IFRS Standards 2018 – 2020 – Amendments to IFRS 1, IFRS 9 and IFRS 16 (effective 1 January 2022)
- Conceptual Framework – Amendments to IFRS 3 'Business Combinations' (effective 1 January 2022)
- Proceeds before Intended Use – Amendments to IAS 16 'Property, Plant and Equipment' (effective 1 January 2022)
- Onerous Contracts – Cost of Fulfilling a Contract – Amendment to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' (effective 1 January 2022)
- Classification of Liabilities as Current or Non-current – Amendment to IAS 1 'Presentation of Financial Statements' (effective 1 January 2023)
- Implementation issues – Amendments to IFRS 17 'Insurance Contracts' (effective 1 January 2023)
- Definition of Accounting Estimates – Amendment to IAS 8 'Accounting policies, changes in accounting estimates and errors' (effective 1 January 2023)
- Disclosure of Accounting Policies – Amendment to IAS 1 'Presentation of Financial Statements' (effective 1 January 2023)

n) Critical accounting policies and judgements and key sources of estimation uncertainty

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

Due to the nature of the Company and its activities, there are not considered to be any critical accounting policies.

2. Significant Accounting policies (continued)

Key sources of estimation uncertainty

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

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

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

3. Revenue

Revenue of £680 million (2020: £612 million) is derived from the supply, installation and maintenance of satellite television receiving and related equipment. Revenue arises from goods and services provided to Sky controlled entities within United Kingdom, Republic of Ireland, Italy and Germany. This is split between the UK £563 million (2020: £502 million) and the rest of the world £117 million (2020: £110 million).

	2021 £m	2020 £m
Subscription revenue	**7**	10
Intercompany recharges	**673**	602
Total revenue	**680**	612

4. Operating expense

	2021 £m	2020 £m
Costs directly attributable to sales	**267**	290
Sales, general and administration	**300**	267
Total operating expense	**567**	557

5. Finance costs

	2021 £m	2020 £m
Interest on lease liabilities	**(1)**	(1)
Foreign exchange remeasurement	**1**	(1)
	-	(2)

Notes to the financial statements (continued)

6. Profit before tax

Profit before tax is stated after charging	**2021**	2020
	£m	£m
Cost of inventories recognised as an expense	**139**	107
Depreciation of property, plant and equipment	**213**	190
Amortisation of intangible assets	**4**	3

7. Auditor's remuneration

Audit fees

Fees payable to the Company's auditor for the audit of the annual accounts were £100,000 (2020: £100,000). No amounts for other services have been paid to the auditor.

8. Employee benefits and key management compensation

a) Company employee benefits

	2021	2020
	£m	£m
Wages and salaries	**122**	109
Social security costs	**12**	11
Costs of employee share option schemes(i)	**1**	1
Contributions to the Sky Pension Plan ("the Pension Plan")(ii)	**8**	6
	143	127

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

(i) The Company operates a defined contribution pension scheme through the Pension Plan. The pension charge for the year represents the cost of contributions payable by the Company to the scheme during the year. The Company's amount payable to the scheme at 31 December 2021 was £1 million (2020: £1 million).

The average monthly number of full-time equivalent persons (including temporary employees) employed by the Company during the year was 4,066 (2020: 4,110).

	2021	2020
	Number	Number
Customer services, sales and marketing	**4,066**	4,110
	4,066	4,110

There are approximately 1 (2020: 1) temporary staff included within the average number of full-time equivalent persons employed by the Company.

b) Key management compensation

The Directors did not receive any remuneration during the year (31 December 2020: £nil) in respect of their services to the Company.

Notes to the financial statements (continued)

9. Tax

a) Tax recognised in the Income Statement

	2021 £m	2020 £m
Current tax expense		
Current year	**16**	7
Adjustment in respect of prior years	**-**	1
Total current tax charge	**16**	8
Deferred tax expense		
Origination and reversal of temporary differences	**1**	3
Adjustment in respect of change in tax rate	**6**	2
Total deferred tax charge	**7**	5
Tax expense	**23**	13

b) Reconciliation of effective tax rate

The tax expense for the year is consistent with (2020: higher) than the standard rate of corporation tax in the UK of (19.0%) (2020: 19.0%) applied to profit before tax. The differences are explained below:

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

	2021 £m	2020 £m
Profit before tax	**113**	53
Profit before tax multiplied by rate of corporation tax in the UK of 19.0% (2020: 19.0%)	**21**	10
Effects of:		
Group relief (claimed)/surrendered for £nil consideration	**(4)**	-
Adjustment in respect of prior year	**-**	1
Change in corporation tax rate	**6**	2
Tax	**23**	13

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

10. Intangible assets

	Internally generated intangible assets £m	Software development (external) £m	Software licences £m	Acquired intangible assets not yet available for use £m	Total £m
Cost					
At 1 January 2020	13	14	5	-	32
Additions	1	-	1	2	4
Disposals	(4)	-	(4)	-	(8)
At 31 December 2020	10	14	2	2	28
Additions	-	-	-	2	2
At 31 December 2021	**10**	**14**	**2**	**4**	**30**
Amortisation					
At 1 January 2020	7	10	4	-	21
Charge for the year	2	-	1	-	3
Disposals	(4)	-	(4)	-	(8)
At 31 December 2020	5	10	1	-	16
Charge for the year	2	2	-	-	4
At 31 December 2021	**7**	**12**	**1**	**-**	**20**
Carrying amounts					
At 1 January 2020	6	4	1	-	11
At 31 December 2020	5	4	1	2	12
At 31 December 2021	**3**	**2**	**1**	**4**	**10**

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

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

	2022 £m	2023 £m	2024 £m	2025 £m	2026 £m
Estimated amortisation charge	4	4	1	1	-

Notes to the financial statements (continued)

11. Property, plant and equipment

	Equipment, furniture and fixtures £m	Assets not yet available for use £m	Owned set top boxes and routers £m	Total £m
Cost				
At 1 January 2020	29	3	1,087	1,119
Additions	12	5	379	396
Disposals	(13)	-	-	(13)
Transfers	2	(2)	-	-
At 31 December 2020	**30**	**6**	**1,466**	**1,502**
Additions	6	-	306	312
Disposals	(1)	-	-	(1)
Transfers	1	(1)	-	-
At 31 December 2021	**36**	**5**	**1,772**	**1,813**
Accumulated depreciation				
At 1 January 2020	12	-	288	300
Charge for the year	5	-	185	190
Disposals	(13)	-	-	(13)
At 31 December 2020	**4**	**-**	**473**	**477**
Charge for the year	4	-	209	213
Disposals	(1)	-	-	(1)
At 31 December 2021	**7**	**-**	**682**	**689**
Carrying amounts				
At 1 January 2020	17	3	799	819
At 31 December 2020	26	6	993	1,025
At 31 December 2021	**29**	**5**	**1,090**	**1,124**

12. Right-of-use assets

	Vans £m	Total £m
Cost		
Initial application of IFRS 16	19	19
Additions	22	22
At 31 December 2020	41	41
Additions	29	29
Disposals	(18)	(18)
At 31 December 2021	**52**	**52**
Depreciation		
Charge for the year	8	8
At 31 December 2020	8	8
Charge for the year	11	11
Disposals	(5)	(5)
At 31 December 2021	**14**	**14**
Carrying amounts		
At 31 December 2020	33	33
At 31 December 2021	**38**	**38**

13. Deferred tax

Recognised deferred tax liabilities

	Fixed asset timing differences £m	Total £m
At 31 December 2020	(13)	(13)
Charge to income	(5)	(5)
At 31 December 2020	(18)	(18)
Charge to income	(7)	(7)
At 31 December 2021	**(25)**	**(25)**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which they reverse. The rate enacted for the relevant period of reversal is 25% (2020: 19%)

14. Inventories

	2021 £m	2020 £m
Set-top boxes and related equipment	**1**	5
Other inventories	**12**	12
Total inventories	**13**	17

Set-top boxes and related equipment has reduced in the current period due to a higher proportion of boxes and related equipment being capitalised compared to the prior year, as an increased number of customers move to the Sky owned equipment model. Other inventories are predominately comprised of consumables that are used during the installation process.

15. Trade and other receivables

	2021 £m	2020 Restated (Note 26) £m
Gross trade receivables	**1**	-
Net trade receivables	**1**	-
Amounts falling due within one year:		
Amounts receivable from other group companies	**413**	501
Prepayments	**4**	6
VAT	**9**	5
Accrued income	**7**	2
Current trade and other receivables	**434**	514
Amounts receivable from parent company	**1,046**	451
Total non-current trade and other receivables	**1,046**	451
Total trade and other receivables	**1,481**	965

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

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

	2021 £m	2020 £m
More than 120 days past due date	**1**	-
	1	-

Amounts receivable from parent company and other group companies

The Company is a pooling participant in the multi currency notional pool operated by CCIL. The amounts receivable due from Comcast Capital International Limited ("CCIL") were £3 million (2020: £nil). As at 31 December 2021 for any deposited amounts by pooling participants the followings rates apply:

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

Amounts receivable from the parent company Sky UK Limited total £1,046 million 31 December 2021 (2020: £451 million).

All other amounts receivable from other Group companies are trade balances that total £410 million at 31 December 2021 (2020: £501 million). These balances are non-interest bearing and are repayable on demand.

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

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

16. Trade and other payables

	2021 **£m**	2020 £m
Current		
Trade payables	**13**	12
Amounts payable to other group companies	**2,057**	1,544
Amounts payable to ultimate parent company	**5**	3
Accruals	**31**	39
Deferred income	**2**	-
Other payables	**6**	4
Total current trade and other payables	**2,114**	1,602
Total trade and other payables	**2,114**	1,602

In June 2009 the Company entered into a revolving credit facility ("RCF") with Sky Operational Finance Limited whereby it is the borrower and Sky Operational Finance Limited is the lender. This RCF is non-interest bearing and is repayable on demand. At 31 December 2021 the balance of this RCF was £132 million (2020: £132 million), which is included within amounts owed to other group companies.

In July 2009 the Company entered into a loan agreement with Sky Operational Finance Limited whereby it is the borrower and Sky Operational Finance Limited is the lender. At 31 December 2021 the balance of this loan was £47million (2020: £47 million). This loan is non-interest bearing and is repayable on demand.

Other trade balances due to other group companies totalling £1,878 million (2020: £1,365million) are repayable on demand and bear no interest.

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

17. Provisions

	At 1 January 2020 £m	Provided during the year £m	Utilised during the year £m	At 31 December 2020 £m	**Provided during the year £m**	**Utilised during the year £m**	**At 31 December 2021 £m**
Current liabilities							
Restructuring provision	-	-	-	-	**3**	**(2)**	**1**
Customer-related provisions	35	-	(30)	5	**-**	**(2)**	**3**
Other provisions	5	4	(5)	4	**(1)**	**-**	**3**
	40	4	(35)	9	**2**	**(4)**	**7**
Non-current							
Property provisions	1	-	-	1	**-**	**-**	**1**
	1	-	-	1	**-**	**-**	**1**

As at 31 December 2021 there was a £1 million provision relating to restructuring (2020: £nil) which primarily relates to severance. It is anticipated that this will be utilised within 12 months of the balance sheet date.

Customer related provisions are for those costs incurred in the one-off upgrade of set-top boxes and the programme to replace selected Sky Broadband router devices as well as warranties and obsolescence of stock.

Property provisions relate to amounts provided for property dilapidation expenses.

Included in other provisions are amounts provided for royalties payable on set-top boxes.

18. Lease liabilities

	2021 £m	2020 £m
Current lease liabilities	**14**	11
Non-current lease liabilities	**34**	32

Maturity of lease liabilities

	2021 £m	2020 £m
Within one year	**14**	11
Later than one year but not later than five years	**34**	32
Total lease liabilities	**48**	43

The total cash outflow for leases in the year is £11 million (2020: £6 million).

19. Derivatives and other financial Instruments

The Sky Group Treasury function is responsible for liquidity management, and the management of foreign exchange, interest rate and credit risks. Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by Comcast Corporation who receive regular updates of treasury activity.

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 from its operations.

(a) Carrying value and fair value (continued)

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

	Financial Assets at	Financial Liabilities at		
	Amortised Cost	Amortised Cost	Total carrying value	Total fair values
	£m	£m	£m	£m
At 31 December 2021				
Provisions	-	**(7)**	**(7)**	**(7)**
Trade and other payables	-	**(2,106)**	**(2,106)**	**(2,106)**
Trade and other receivables	**1,468**	-	**1,468**	**1,468**
Cash and cash equivalents	**1**	-	**1**	**1**
At 31 December 2020				
Provisions	-	(9)	(9)	(9)
Trade and other payables	-	(1,598)	(1,598)	(1,598)
Trade and other receivables	954	-	954	954
Cash and cash equivalents	2	-	2	2

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;
- The fair value of obligations under finance leases and other borrowings is estimated by discounting the future cash flows to net present value.

The differences between carrying values and fair values reflect unrealised gains or losses inherent in the financial instruments, based on valuations as at 31 December 2021 and 31 December 2020. The volatile nature of the markets means that values at any subsequent date could be significantly different from the values reported above.

20. Financial risk management objectives and policies

The Group's Treasury function is responsible for raising finance for the Company's operations and credit risk. The Sky Group Treasury function manages liquidity, foreign exchange, interest rate and credit risks. Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by both the Comcast Audit Committee and the Board, which receive regular updates of Treasury activity. 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.

Capital Risk Management

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

Liquidity risk

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

The Company's financial liabilities are shown in notes 16, 17 and 18 .

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

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

	Less than 12 months £m	Between two and five years £m	Total £m
At 31 December 2021			
Non-derivative financial liabilities			
Trade and other payables	**2,106**	**-**	**2,106**
Provisions	**7**	**1**	**8**

	Less than 12 months £m	Between two and five years £m	Total £m
At 31 December 2020			
Non-derivative financial liabilities			
Trade and other payables	1,598	-	1,598
Provisions	9	1	10

20. Financial risk management objectives and policies (continued)

Credit risk

The Company is exposed to default risk amounting to cash and cash equivalents of £1 million (2020: £2 million).

The Company's maximum exposure to credit risk on trade receivables is the carrying amounts as disclosed in note 15.

21. Share capital

	2021 £m	2020 £m
Authorised, called-up and fully paid		
1,576,000 (2020: 1,576,000) Ordinary shares of £1 (2020: £1) each	**2**	2

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

Share option and contingent share award schemes

The Sky Group operates various equity-settled share option schemes (the "Schemes") for certain employees, using shares in the Company's ultimate parent company, previously Sky Limited and now Comcast. After the acquisition of the Sky Group by Comcast on 9 October 2018, the previous share schemes operated by Sky were settled. New awards were granted under the Restricted Stock Units schemes operated by Comcast.

The awards outstanding can be summarised as follows:

Scheme	2021 Number of ordinary shares	2020 Number of ordinary shares
Sharesave Scheme options (i)	**529,762**	427,407
Comcast RSU awards (ii)	**-**	1,146
	529,762	428,553

21. Share capital (continued)

(i) Sharesave Scheme options

All Sharesave Scheme options outstanding at 31 December 2021 and 31 December 2020 have no performance criteria attached, other than the requirement that the employee remains in employment with Sky. Options granted under the Sharesave Scheme are to be exercised within six months of the relevant award vesting date.

The Sharesave Scheme is open to all employees. Options are normally exercisable after either three or five years from the date of grant. The price at which options are offered is not less than 80% of the middle-market price on the dealing day immediately preceding the date of invitation.

(ii) Comcast RSU awards

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

Share option and contingent share award schemes

For the purposes of the disclosure below, the previous Management LTIP, LTIP, Management Co-Investment LTIP, Co-Investment LTIP awards, together with the Comcast RSU awards and Management Special Incentive awards ('Senior Management Schemes') have been aggregated.

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

	Sharesave Scheme		Senior Management Schemes		Total	
	Number of shares under option	Weighted average exercise price	Number of shares under option	Weighted average exercise price	Number of shares under option	Weighted average exercise price
	Number	£	Number	£	Number	£
Outstanding at 1 January 2020	292,946	27.26	-	-	292,946	27.26
Granted during the year	141,776	27.39	1,146	-	142,922	27.17
Cancelled during the year	(7,315)	-	-	-	(7,315)	27.26
Outstanding at 31 December 2020	427,407	27.30	1,146	-	428,553	27.23
Granted during the year	**102,556**	**33.31**	**1,002**	**-**	**103,558**	**32.99**
Vested during the year	**-**	**-**	**(1,098)**	**-**	**(1,098)**	**-**
Forfeited during the year	**(201)**	**27.26**	**(1,050)**	**-**	**(1,251)**	**4.38**
Outstanding at 31 December 2021	**529,762**	**28.47**	**-**	**-**	**529,762**	**28.47**

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

21. Share capital (continued)

Share option and contingent share award schemes (continued)

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

	Sharesave Scheme		Senior Management Schemes		Total	
	2021	2021 Weighted average remaining contractual life	2021	2021 Weighted average remaining contractual life	2021	2021 Weighted average remaining contractual life
Range of Exercise Prices	Number	years	Number	years	Number	years
£27.00 - £28.00	529,762	2.10	-	-	529,762	2.10
	529,762	2.10	-	-	529,762	2.10

	Sharesave Scheme		Senior management schemes		Total	
	2020	2020 Weighted average remaining contractual life	2020	2020 Weighted average remaining contractual life	2020	2020 Weighted average remaining contractual life
Range of Exercise Prices	Number	years	Number	years	Number	years
£0.00 - £1.00	-	-	1,146	1.17	1,146	1.17
£27.00 - £28.00	427,407	2.80	-	-	427,407	2.80
	427,407	-	1,146	-	428,553	2.80

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

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

Information for awards granted during the year

The weighted average fair value of equity-settled share options granted during the year, as estimated at the date of grant, was £7.99 (2020: £8.34). This was calculated using the Black-Scholes share option pricing model except for awards which have market-based performance conditions, where a Monte-Carlo simulation model was used, and for grants of nil-priced options, which were treated as the award of a free share. The fair value of nil-priced options granted during the period was measured on the basis of the market-price of Comcast's shares on the date of grant, discounted for expected dividends which would not be received over the vesting period of the options.

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

21. Share capital (continued)

Share option and contingent share award schemes (continued)

Weighted average fair value assumptions

Sharesave scheme

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

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

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

Senior management schemes

The weighted average fair value of equity-settled share awards granted during the year under the Senior Management Schemes, as estimated at the date of grant, was £78.14 (2020: £66.38). The fair value of awards with market-based performance conditions was calculated using a Monte-Carlo simulation model. Awards granted as nil-priced options were treated as the award of a free share. For all other awards, fair value was calculated using the Black-Scholes share option pricing model.

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

	2021	2020
Share price	**£39.07**	£33.20
Expected life	**3.0 years**	3.0 years
Risk-free interest rate	**0.1%**	0.8%

22. Shareholders' equity

	2021 £m	2020 £m
Share capital	**2**	2
Retained earnings	**469**	379
	471	381

Notes to the financial statements (continued)

23. Notes to the Cash Flow Statement

Reconciliation of profit before tax to cash generated from operations

	2021 £m	2020 £m
Profit before tax	**113**	53
Depreciation and impairment of property, plant and equipment	**213**	190
Amortisation and impairment of intangible assets	**4**	3
Depreciation and impairment of right-of-use assets	**11**	8
Finance costs	**-**	2
	341	256
Increase in other receivables	**(531)**	(346)
Decrease in inventories	**4**	15
Increase in trade and other payables	**512**	503
Decrease in provisions	**(2)**	(31)
Cash generated from operations	**324**	397

24. Transactions with related parties

a) Key management

The Company has a related party relationship with the Directors of the Company as key management. At 31 December 2021, there were 4 (2020: 2) key managers, each of whom were Directors of the Company. For further details, see note 8(b).

b) Transactions with the parent company

For details of amounts owed by and owed to the parent company, see note 15 and note 16.

Principal services supplied by the Company:

- Installation and maintenance of satellite television receiving and related equipment to Sky UK Limited

The Company conducts business transactions with the parent company:

	2021 £m	2020 £m
Supply of services by the Company	**589**	529

The Group's treasury function is responsible for liquidity management across the Group's operations. It is standard practice for the Company to lend and borrow cash to and from subsidiaries as required. Under this policy, Sky UK Limited increased liabilities of £515 million (2020: £487 million) on behalf of the Company during the period.

c) Transactions with other Group companies

For details of amounts owed by and owed to other Group companies, see note 15 and note 16.

The Company conducts business transactions with other Group undertakings:

	2021 £m	2020 £m
Supply of services by the Company	**75**	72
Purchases of goods/services by the Company:	**(514)**	(530)

Principal goods/services purchased from fellow Group companies:

- Subscriber management services supplied by Sky Subscribers Services Limited of £6 million (2020: £8 million)

- Inventories, owned set-top boxes, logistics, repairs and related expenses supplied by Sky CP Limited of £508 million (2020: £522 million

25. Ultimate parent undertaking

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

The Company is ultimately controlled by Comcast Corporation and operates together with Comcast Corporation's other subsidiaries, as a part of the Comcast Corporation 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 Corporation Group are available to the public and may be obtained from Company Investor Relations at Comcast, One Comcast Center, Philadelphia, PA 19103, USA. Or at :https://www.cmcsa.com/investors.

26. Prior - period restatement

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

	2020	2020	2020
	As previously stated	**Adjustment**	**Restated balance**
	£m	**£m**	**£m**
Amounts receivable from parent company - current	451	(451)	-
Amounts receivable from parent company- non current	-	451	451