CYMRU INTERNATIONAL LIMITED

Annual report and financial statements
For the 18 month period ended 31 December 2019

Registered number: 05536376

Directors and Officers

For the period ended 31 December 2019

Directors

Cymru International Limited's ("the Company's") present Directors and those who served during the period are as follows:

C Smith (appointed 5 June 2019)
T C Richards (appointed 5 June 2019)
C J Taylor (resigned 5 June 2019)
C R Jones (resigned 5 June 2019)
K Holmes (resigned 5 June 2019)

Company Secretary

Sky Corporate Secretary Limited (appointed 5 June 2019)
CJ Taylor (resigned 5 June 2019)

Registered office

Grant Way
Isleworth
Middlesex
TW7 5QD

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Strategic Report

The Directors present their Strategic and Directors' report on the affairs of the Company, together with the financial statements and Auditor's Report for the period from 1 July 2018 ending 31 December 2019. During the period the Company changed its year-end from 30 June to 31 December, to align with that of Comcast Corporation, the ultimate controlling party of the Company. Accordingly, the financial statements comprise the eighteen-month period to 31 December 2019, with comparatives for the twelve months to 30 June 2018.

The purpose of the Strategic Report is to inform members of the Company and help them assess how the Directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the Company).

Business review and principal activities

The Company is a wholly owned subsidiary of Sky Studios Limited (formerly Parthenon Entertainment Limited) The Company is ultimate controlled by Comcast Corporation ("Comcast") and operates together with Comcast's other subsidiaries as a part of Comcast Group ("the Group").

The principal activities of the Company continued to be that of the marketing and distribution of television programmes. There have not been any significant changes in the Company's activities in the period under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The audited financial statements for the 18 month period ended 31 December 2019 are set out on pages 11 to 20. The Directors consider revenue and operating profit to be key performance indicators of the Company. Revenue for the period ended 31 December 2019 was £68,815 (2018: £14,631) and the profit after taxation was £20,041 (2018 £5,244). There is no new inventory available for sale in the accounts, which clients pay an advanced payment for to acquire the rights. The increase in revenue in the period ended 31 December 2019 was due to royalties payments in relation to an increase in client sales. The balance sheet shows that the Company's shareholder's equity position at the period end was £322,165 (2018: £302,124).

On 9 October 2018, the offer by Comcast Bidco Limited to acquire the entire issued and to be issued share capital of Sky Limited (formerly Sky plc) became wholly unconditional. As a result and as of that date, the ultimate controlling party of Sky Limited and its direct and indirect subsidiaries, including the Company, is now Comcast Corporation. In the fourth quarter of 2018, Comcast Bidco Limited acquired the remaining Sky shares and it now owns 100% of the share capital of the Sky Limited.

On 18 February 2019, Sky cancelled its previous £1 billion revolving credit facility, which had a maturity date of 30 November 2021, and the Company, as part of the Sky Limited group of companies, now part of Comcast's inter-company funding relationships, which is discussed further below.

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 1 July 2018, which have not had a significant impact on the Company's financial performance or position on transition or during the period. Except for the first-time application of IFRS 15 and IFRS 9, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Company's financial statements as at and for the year ended 30 June 2018.

Key performance indicators (KPIs)

The Group manages its operations on a divisional basis and the KPIs used are as reported in the Group Annual Report. 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 Company's activities expose it to financial risks, namely credit risk, and liquidity risk. The Directors do not believe the Company is exposed to significant cash flow risk, price risk, interest rate risk or foreign exchange risk.

Financial risk management objectives and policies

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

Credit risk

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

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 Sky Group currently has access to a £3 billion revolving credit facility which is due to expire on 11 January 2024. The Company benefits from this liquidity through intra-group facilities and loans.

Legislation and Regulation risk

U.K. Exit from the European Union

Sky's businesses are subject to risks relating to uncertainties and effects of the implementation of the United Kingdom's referendum to withdraw membership from the EU (referred to as "Brexit"), including financial, legal, tax and trade implications.

The telecommunications and media regulatory framework applicable to Sky's businesses in the U.K. and the EU may be subject to greater uncertainty following the U.K.'s withdrawal from the EU in January 2020. We cannot predict the extent of any potential changes to the regulatory framework involving U.K. and EU regulation of telecommunications and media, or changes to certain mutual recognition arrangements for media and broadcasting.

Impacts of COVID-19

The novel coronavirus disease 2019 ("COVID-19") and measures taken to prevent its spread across the globe are impacting Sky's businesses in a number of ways.

As a result of COVID-19, many sporting events and professional sports seasons were postponed in the first half of 2020, with certain sports, including European football, resuming in May and June 2020. This had a significant impact on Sky's results of operations for the first nine months of 2020. Direct-to-consumer revenue has been negatively impacted as a result of lower sports subscription revenue, and continued negative impacts as a result of the impacts of COVID-19 on the reopening plans of Sky's commercial customers are expected. Additionally, significant costs associated with broadcasting these programmes were not recognised as a result of sporting events not occurring as scheduled in the first half of 2020. These costs were generally recognised in the third quarter of 2020; and although sporting events have resumed, COVID-19 continues to result in uncertainty in the ultimate timing of when, or the extent to which, these events will occur for the remainder of 2020; their broadcast is expected to impact the timing, and potentially the amount, of revenue and expense recognition.

Sky also temporarily suspended certain sales channels due to COVID-19, which negatively impacted net customer additions and revenue in the first half of 2020. Sales channels generally resumed operations in June 2020.

COVID-19 has resulted in the deterioration of economic conditions and increased economic uncertainty in the United Kingdom and Europe, intensifying what was an already deteriorating economic and advertising environment. These conditions negatively impacted revenue in the first nine months of 2020, and these conditions are expected to continue to reduce advertising spend and consumer demand for Sky's services for the remainder of 2020. In addition, there is increased risk associated with collections on Sky's outstanding receivables, and Sky has incurred and expects to continue to incur increases in its bad debt expense.

Approved by the Board and signed on their behalf by,

T C Richards
Director

Grant Way
Isleworth
Middlesex
TW7 5QD

13 November 2020

Directors' Report

The Directors who served during the period are shown on page 1. The Directors do not recommend a dividend for the period ended 31 December 2019 (2018: £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 exposures to credit risk and liquidity 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. Although negatively impacted by COVID-19, 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 £3 billion revolving credit facility with Comcast, will be sufficient for the Company to meet its current and long-term liquidity and capital requirements. We further highlight that the Company has received confirmation of support from Comcast 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 he/she ought to have taken as a Director to make himself/ herself 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 13 November 2020.

Approved by the Board and signed on their behalf by,

T C Richards
Director

Grant Way
Isleworth
Middlesex
TW7 5QD

13 November 2020

Statement of Directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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 Cymru International Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Cymru International Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- . the Income Statement;
- the Balance Sheet;
- the Statement of Changes in Equity and;
- the related notes 1 to 14.

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

Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical (FRC's) 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Auditor's report (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Auditor's report (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

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

13 November 2020

Income Statement

For the period ended 31 December 2019

	Notes	**18 months to 31 December 2019**	12 months to 30 June 2018
		£	£
Turnover	3	**68,815**	14,631
Administrative expenses	4	**(48,774)**	(9,387)
Profit on ordinary activities before taxation	5	**20,041**	5,244
Tax on profit on ordinary activities	7	**-**	-
Profit for the financial period		**20,041**	5,244

From 1 July 2018, the Company has applied IFRS 15 'Revenue from contracts with customers' and IFRS 9 'Financial instruments' using a modified retrospective approach.

As a result, the 2018 figures presented for comparison purposes have not been adjusted. The impacts of this first-time adoption are presented in Note 1, where applicable.

All results are derived from continuing operations.

The accompanying notes on pages 14 to 20 are an integral part of these financial statements.

For the period ended 31 December 2019 and 30 June 2018, the Company did not have any other items of Comprehensive Income. Accordingly, no separate Statement of Comprehensive Income is presented.

Balance Sheet

As at 31 December 2019

	Notes	31 December 2019 £	30 June 2018 £
Current assets			
Trade and other receivables	8	**387,089**	355,278
VAT receivable		**1,525**	1,471
Total assets		**388,614**	356,749
Current liabilities			
Trade and other payables: amounts falling due within one year	9	**66,449**	53,316
VAT payable		**-**	1,309
Total liabilities		**66,449**	54,625
Share capital	10	**2**	2
Profit and loss account	11	**322,163**	302,122
Total equity attributable to equity shareholders		**322,165**	302,124
Total liabilities and shareholders' equity		**388,614**	356,749

From 1 July 2018, the Company has applied IFRS 15 'Revenue from contracts with customers' and IFRS 9 'Financial instruments' using a modified retrospective approach.

As a result, the 2018 figures presented for comparison purposes have not been adjusted. The impacts of this first-time adoption are presented in Note 1, where applicable.

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

As at 31 December 2019 and 30 June 2018, the Company did not have any cash or cash equivalents. Accordingly, no cash flow statement or reconciliation of operating profit to cash flows from operating activities has been prepared.

The financial statements of Cymru International Limited, registered number 05536376 were approved by the Board of Directors on 13 November 2020 and were signed on its behalf by:

T C Richards

Director,

13 November 2020

Statement of Changes in Equity

For the period ended 31 December 2019

	Share capital £	Profit and loss account £	Total £
Balance at 30 June 2017	**2**	**296,878**	**296,880**
Profit for the year	-	5,244	5,244
Total comprehensive income for the year	**-**	**5,244**	**5,244**
Balance at 30 June 2018	**2**	**302,122**	**302,124**
Profit for the period	-	20,041	20,041
Total comprehensive income for the period	**-**	**20,041**	**20,041**
Balance at 31 December 2019	**2**	**322,163**	**322,165**

From 1 July 2018, the Company has applied IFRS 15 'Revenue from contracts with customers' and IFRS 9 'Financial instruments' using a modified retrospective approach. There were no impacts identified on transition which have been recognised in equity reserves.

As a result, the 2018 figures presented for comparison purposes have not been adjusted. The impacts of this first-time adoption are presented in Note 1, where applicable.

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

Notes to the financial statements (continued)

1. Accounting policies

Cymru International Limited (the "Company") is a private company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Grant Way, Isleworth, Middlesex, TW7 5QD and the registered number is 05536376.

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

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has not applied the amendments to Company law made by The Companies, Partnerships and Groups (financial statements and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

2. Significant Accounting policies

Basis of preparation

As permitted by FRS 101, the Company has taken advantage of all relevant disclosure exemptions available under that standard in relation to business combinations, financial instruments, presentation of comparative information in respect of certain assets, standards not yet effective, presentation of a cash-flow statement, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group financial statements of Comcast. The group financial statements of Comcast are available to the public and can be obtained as set out in note 13.

The financial statements have been prepared on the historical cost basis, as described in the accounting policies below.

IFRS 15 – 'Revenue from contracts with customers'

The Company has finalised its analysis and adopted IFRS 15 from 1 July 2018. As permitted by the standard, the Company has taken advantage of the modified transitional provisions and as such the prior period results remain as previously reported. No adjustment has been identified on transition to IFRS 15, or recognised during the period.

Since 1 July 2018, the Company has applied the provisions of IFRS 15, described below, to measure and recognise revenue.

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

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

The Company's revenue comprises

- Recharges to other companies in the Sky Group of companies in respect of the operation of sales and advisory outlets for Sky Television, Sky Broadband and Sky Talk products.

IFRS 9 - 'Financial Instruments'

IFRS 9 'Financial Instruments' replaces IAS 39 'Financial instruments: Recognition and Measurement' and is effective on the Company from 1 July 2018.

The Company has applied the classification, measurement and impairment requirements of the standard on a modified retrospective basis, with no restatement of comparative periods. No adjustment has been recognised on transition to IFRS 9 or during the period.

The areas which impact the Company relate to e.g. the recognition of impairment provisions for customer receivables and other financial assets. IFRS 9 also contains new rules relating to hedge accounting, although the adoption of these is not mandatory and the Company will continue to apply IAS 39 hedge accounting policies, where applicable.

IFRS 9 introduces an impairment model based on expected credit losses. This requires a provision for impairment to be considered, and if required to be recorded, when the receivable is recognised, compared to IAS 39 which requires a provision to be made only when a loss event occurs. The Company elected to apply IFRS 9's simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. This involves, for example, the application of a provision matrix where trade receivables are grouped based on shared credit risk characteristics and ageing, or other appropriate methods given the nature of the receivable, and requires an estimate of expected lifetime credit loss rates. These loss rates are based on, inter alia, the entity's historical credit losses, adjusted for reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions, in order to derive an expectation. The application of this approach has not had a material impact on the provision for impairment of third party trade receivables compared to the Company's previous approach under IAS 39.

Amounts due from group companies are typically non-interest bearing and are repayable on demand. With respect to impairment provisions under IFRS 9, an expectation of credit losses for intercompany loan receivables is required, taking into consideration similar factors as for third party balances above, in addition to entity's ability to trade and borrow as part of the wider Group, in order to settle the receivables. The IFRS 9 credit loss model has not had a material impact with respect to impairment of entity's intercompany receivables compared to the Company's previous approach under IAS 39.

IFRS 9 requires that amounts recognised in non-financial assets (basis adjustment) are recognised directly in equity, which were previously recognised in other comprehensive income under IAS 39 'Financial Instruments: Recognition and Measurement.'

In addition to the first-time application of IFRS 15 and IFRS 9, no other new accounting pronouncements had a significant impact on the Company's results or financial position.

Going concern

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

Revenue recognition

Revenue represents amounts receivable for marketing and distribution of television programmes net of VAT.

Turnover from the distribution of programmes is recognised when a contract has been executed by both the Company and licensee and the relevant programmes have been delivered to the broadcaster. Distribution revenue from programmes or formats distributed by third parties and other ancillary revenues are recognised once the Company has been notified of the sums due to it. Any fees received in advance, which do not meet all the above criteria, are included in deferred income until the above criteria are met.

2. Significant Accounting policies

Tax

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which carried forward tax losses can be offset and from which the future reversal of underlying timing differences can be deduced.

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

Foreign currency translation

The Company's functional currency and presentational currency is pounds sterling Trading activities denominated in foreign currencies are recorded in [pounds sterling] at the applicable monthly exchange rates. Monetary assets, liabilities and commitments denominated in foreign currencies at the balance sheet date are recorded at the rates of exchange at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated to [pounds sterling] at the exchange rate prevailing at the date of the initial transaction. Gains and losses from the retranslation of assets and liabilities are included net in profit for the period.

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.

Notes to the financial statements (continued)

2. Significant Accounting policies (continued)

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.

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 on or after 1 January 2020. 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.

- IFRS 17 'Insurance Contracts'
- Amendments to References to the Conceptual Framework in IFRS Standards
- IFRS 16 'Leases'

Critical accounting 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 Group's accounting policies also requires the use of estimates and assumptions that affect the Group's financial position or results.

Due to the nature of the Company and its activities, no critical accounting policies, judgements or key areas of estimation uncertainty have been identified under IAS 1.

3. Turnover

The revenue and profit before taxation are attributable to the one principal activity of the Company, being the marketing and distribution of television programmes.

4. Administrative expenses

	2019	2018
	£	£
Programme costs	**49,525**	6,753
Sales, general and administration	**(751)**	2,634
	48,774	9,387

There were no staff costs for the period ended 31 December 2019 (30 June 2018: £nil)

Directors' remuneration for the period ended 31 December 2019 was £nil (30 June 2018: £nil)

Notes to the financial statements (continued)

5. Profit for the financial period

Profit for the period has been arrived at after charging:	**2019**	2018
	£	£
Foreign exchange differences	**(174)**	63

6. Auditor's remuneration

Amounts paid to the auditor for the audit of the Company's annual financial statements of £15,000 (2018: £10,000) were borne by another Group subsidiary in both the current and prior period. No amounts for other services have been paid to the auditor.

7. Tax

	2019	2018
	£	£
Tax	**-**	-

Corporation tax is calculated at 19.0% (2018 19.0%) of the estimated taxable profit for the period.

The charge for the period can be reconciled to the profit in the profit and loss account as follows:

	2019	2018
	£	£
Profit / (Loss) before tax	**20,041**	5,244
Tax at the UK corporation tax rate of 19.0% (2018: 19.0%)	**3,808**	996
Group relief claimed for £nil consideration	**(3,808)**	(996)
Tax Charge (Credit)	**-**	-

8. Trade and other receivables

	2019	2018
	£	£
Amounts falling due within one year:		
Amounts owed by other Group companies [a]	**387,089**	355,278
	387,089	355,278

a) Amounts owed by other Group companies

These are amounts receivable from other Group companies totalling £387,089 (2018: £355,278); these balances are non-interest bearing and repayable on demand.

Notes to the financial statements (continued)

9. Trade and other payables

	2019	2018
	£	£
Amounts falling due within one year:		
Trade Payables	**4,090**	-
Accruals	**62,359**	52,441
Deferred income	**-**	875
	66,449	53,316

10. Share capital

	2019	2018
	£	£
Issued, fully paid and authorised:		
2 (2018: 2) ordinary shares of £1 (2018: £1) each	**2**	2

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

11. Profit and loss account

	Profit and loss account £
Balance as at 1 July 2017	296,878
Profit for the year	5,244
Balance as at 1 July 2018	302,122
Profit for the period	20,041
Balance as at 31 December 2019	**322,163**

12. Dividends

No dividends were declared or paid during the period (2018: £nil).

Dividends are paid between Group companies out of profits available for distribution subject to, inter alia, the provisions of the companies' articles of association and the Companies Act 2006.

Notes to the financial statements (continued)

13. Ultimate parent undertaking

The company is a wholly-owned subsidiary undertaking of Sky Studios Limited (formerly Parthenon Entertainment 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 largest group in which the results of the company are consolidated is Comcast, a company incorporated in Pennsylvania, United States.

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

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

14. Post balance sheet events:

Subsequent to 31 December 2019, the novel COVID-19 outbreak was declared a pandemic, and measures taken to prevent its spread are impacting Sky's business in a number of ways. The impacts of COVID-19 on the Company's business activities are set out in the Strategic Report.