

SKY UK LIMITED

Annual report and financial statements
For the year ended 31 December 2024

Registered number: 02906991

Directors and Officers

For the year ended 31 December 2024

Directors

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

S Robson

T C Richards (resigned 28 June 2024)

K Holmes (resigned 13 December 2024)

P Wedlock (appointed 28 June 2024)

R G McNeil (appointed 10 December 2024)

Secretary

Sky Corporate Secretary Limited

Registered office

Grant Way

Isleworth

Middlesex

United Kingdom

TW7 5QD

Auditor

Deloitte LLP

London

United Kingdom

Strategic and Directors' Report

Strategic Report for the Year Ended 31 December 2024

The Directors present their Strategic Report on the affairs of the Company, together with the Directors' Report, audited financial statements and Auditor's Report for the year ended 31 December 2024, with comparatives for the year ended 31 December 2023.

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

Business Review and Principal Activities

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

The Company operates the leading pay television broadcasting service in the United Kingdom ("UK") and Ireland as well as broadband, telephony and mobile services. The Company's principal activities consist of the operation and distribution of wholly-owned television channels via a direct-to-home ("DTH") service and it supplies certain channels to cable operators for retransmission to their subscribers in the UK and Ireland.

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

Financial Review

The audited financial statements for the year ended 31 December 2024 are set out on pages 19 to 66. In the year, the Company made an operating loss of £112 million (2023: loss of £224 million).

Total revenue in the year can be analysed as follows:

	2024	2023
	£m	£m
Direct to consumer	8,736	8,501
Content	529	527
Advertising	1,131	1,204
Revenue	10,396	10,232

Direct to consumer revenue is higher primarily due to price increases reflecting the additional value being provided across various revenue streams, as well as higher Mobile volumes.

Content revenue and advertising revenue is broadly similar to prior year.

The Company's operating expenses can be analysed as follows:

	2024	2023
	£m	£m
Programming	(3,429)	(3,449)
Direct network costs	(1,745)	(1,664)
Sales, general and administration	(5,334)	(5,343)
Operating expenses	(10,508)	(10,456)

Programming costs are slightly lower than the prior year due to additional football matches being played in 2023 as a result of the impact of the World Cup on the 2022/23 football season.

Direct network costs have increased predominantly as a result of the increase in broadband network charges and subscribers.

Sales, general and administration costs are broadly similar to prior year.

Strategic and Directors' Report (continued)

Business Review and Principal Activity (continued)

During the year, Comcast completed an internal corporate reorganisation which principally resulted in the Company transferring Sky Germany and Sky Italy to a Comcast subsidiary outside of the Sky Group (as opposed to Sky Germany and Sky Italy being indirect subsidiaries of the Company) and which simplified and recapitalised the UK structure.

The significant impacts on the Company's financial statements are as follows (see notes 16, 21, 22 and 26 for further information):

- issue of 4 shares for £885 million to Sky Limited in exchange for loan contributions and settlements;
- acquisition of all shares in Sky UK Investments Limited ("SUKI") from Sky International Operations Limited ("SIOL") as repayment of £5,375 million in loan notes receivable from SIOL, as well as receipt of a dividend of £5,640 million from SUKI, subsequent to which the investment in SUKI was impaired;
- offset of intercompany loans with SUKI and Sky Limited totalling £6,690 million;
- investment of £234 million in SIOL, which was subsequently impaired to nil;
- investment of £222 million in Sky International Limited, the investment then being transferred to Sky CP Limited as a contribution into that subsidiary;
- transfer of the investment in SIOL to Comcast Sky Holdings, Inc. resulting in a gain of £563 million;
- settlement of intercompany balances with other group entities, including Sky Limited repaying £652 million in loans receivable by the Company, the Company repaying £3,863 million in loans payable to Sky Limited and the receipt of £6,140 million in loan notes receivable from Sky Limited in exchange for other intercompany balances (including the dividend from SUKI noted above);
- Sky Operational Finance Limited ("SOFL") repaying £601 million of loans receivable by the Company, and the Company repaying £676 million in loans payable to SOFL;
- SIOL repaying £733 million in loans receivable by the Company;
- repaying a loan payable to Comcast of £761 million;
- issue of new loan notes of £483 million payable to Sky International Limited and £632 million payable to Comcast Sky Holdings, Inc.

Additionally, during the year, the Company invested £300 million in Parthenon Media Group Limited, a direct subsidiary. This investment was subsequently impaired by £126 million.

During the year, the Company continued to invest in its joint venture, SkyShowtime Limited. Due to the trading performance of SkyShowtime Limited and losses to date in its start-up phase, an impairment of £245 million was recognised during the year.

Net assets at the balance sheet date were £5,834 million (2023: net assets of £4,691 million). The increase in net assets during the year is primarily due to the share issue referred to above (see also note 26) and the profit for the year. Net current liabilities decreased in the year to £5,882 million (2023: £7,091 million) predominantly as a result of intra-group transactions, including those detailed above.

Key Performance Indicators (KPIs)

Comcast and the Company manage their operations on a divisional basis. For this reason, the Directors believe that an analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The results of the Company are included in the KPIs of Comcast, the ultimate controlling party. More information is included in Comcast's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended 31 December 2024, and subsequent filings.

Principal Risks and Uncertainties

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

Strategic and Directors' Report (continued)

Section 172(1) Statement

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

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

This section explains how the Directors of the Company, both individually and collectively, have had regard to the factors listed above in their decision making during the year ended 31 December 2024. As part of their decision-making process, the Directors have regard to the likely consequences of any decision in the long term.

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

Our Employees

The Directors recognise that employees are central to our success. We promote a culture that embraces equal opportunity for all and seek to have a workforce that is inclusive and reflective of our stakeholders, including our shareholders, employees, customers, suppliers and the communities where we operate.

The Company and its Directors are proud of our community of employee resource groups. These voluntary, employee-led organisations are open to all and contribute to business priorities, career development and foster an inclusive and collaborative workplace. We aim to ensure a transparent, professional working environment where employees treat each other with respect. We communicate with our employees frequently and conduct employee engagement surveys.

Our Partners

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

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

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

Our Communities

As a part of the Comcast Group, a global media and technology company, the Directors and the Company as a whole seek to use our resources - our people, programming and platforms - to work toward opportunity for all in areas where we can have a meaningful impact. By supporting local communities, our teammates, and our planet we can help create a world of unlimited possibilities so that together we can build a future that benefits generations to come. We are focusing our efforts in the following areas:

- *Digital Opportunity*. Helping people access the resources, skills and tools they need to succeed in an increasingly digital world.
- *Environment*. Shaping a more sustainable future by improving our environmental impact.
- *Values and Integrity*. Fostering a company culture built on integrity, respect and inclusion. Our values and principles guide everything we do.

Strategic and Directors' Report (continued)

Section 172(1) statement (continued)

Environment

The Directors and the Company as a whole have considered the importance of climate change and working towards the Comcast Group's strategy for a sustainable future, which includes setting a goal to be carbon neutral by 2035 in Scope 1 and 2 emissions across our global operations. In addition, Comcast Group has set near-term science-based targets for Scopes 1, 2 and 3 that have been validated by the Science Based Targets initiative (SBTi). To achieve these goals, we are focused primarily on sourcing clean and renewable energy and improving energy efficiency. We are also innovating to create more sustainable products and packaging. More details on the Comcast Group's environmental strategy can be found at <https://corporate.comcast.com/impact/environment>.

The Directors and management of the Company are responsible for ensuring the Company contributes to the progress toward these Group wide goals, and consideration of these goals, together with wider environmental impact considerations, are incorporated into the Company's decision-making processes. For more information on Group wide environmental performance and progress, see the 2025 Carbon Footprint Data Report, the Sustainability Accounting Standards Board (SASB) Report, the Task Force on Climate-Related Financial Disclosures (TCFD) Report and the Carbon Disclosure Project (CDP) Report, all available on Comcast Group's ESG Reporting website at <https://www.cmcsa.com/esg-reporting>.

Members

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

Approved by the Board and signed on its behalf by



S Robson
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

18 June 2025

Strategic and Directors' Report (continued)

Directors' Report for the year ended 31 December 2024

The Directors present their report and the audited financial statements of Sky UK Limited (the "Company") for the year ended 31 December 2024.

Directors

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

Going Concern

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

Given the integrated nature of the Group's financial planning and treasury functions, funding requirements have been assessed at the Group level. The Directors believe that the cash flow from operating activities generated by the businesses, together with the Company's existing cash, cash equivalents, investments and available borrowings under its existing credit facilities, including the £6 billion and the £700 million revolving credit facilities 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, in line with the operational model of the Company (which holds investments in subsidiaries as non-current assets). However, the Company has received confirmation that Comcast intends to support the Company for a period of at least 12 months from the date of signing of these financial statements.

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

Director's Confirmations

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

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

Auditor

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them was approved by the Board of Directors on 18 June 2025.

Dividend

For the year ended 31 December 2024 there was an interim dividend paid of 0.132681 pence per ordinary share (2023: £nil).

The Directors do not recommend the payment of a final dividend in the current year (2023: £nil).

Financial Risk Management

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

Interest Rate Risk

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

Foreign Exchange Risk

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates. The Sky Group uses foreign exchange forward contracts and cross currency swaps to hedge these exposures and mitigates exposures by matching foreign currency assets and liabilities as far as is possible. See note 25 of the accompanying financial statements for more details.

Credit Risk

The Company's principal financial assets are cash, cash equivalents, trade and other receivables and derivative financial assets.

The Balance Sheet of the Company includes receivables due from third parties, as well as intercompany balances due from related parties. The Company is therefore exposed to credit risk on these balances. The Company recognises credit losses relating to these receivables, as applicable, under an expected loss model in accordance with IFRS 9 Financial Instruments. The receivables balances of the Company are detailed further in note 21.

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

Strategic and Directors' Report (continued)

Financial risk management (continued)

Liquidity Risk

The Company relies on the Comcast Group Treasury function to manage its liquidity and ensure that sufficient funds are available for ongoing operations and future developments. The Company currently has access to the £6 billion and the £700 million revolving credit facilities with Comcast Corporation which are due to expire in 2027. The Company benefits from this liquidity through intra-group facilities and loans.

Investment Performance Risk

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

Employee Engagement Statement

The Directors and the Company as a whole place considerable value on the involvement of employees, and have continued to keep them informed on matters affecting them as employees and various factors affecting the performance of the Company. Employees are consulted through formal and informal meetings and internal communications, with the aim of ensuring that their views are taken into account when decisions are made which are likely to affect their interests, and that all employees are aware of the financial and economic performance of the Company and of Comcast Group as a whole. Furthermore, directors have regard to employee interests in the context of principal decisions made with respect to the Company during the year. We seek to create an engaged workforce through proactive listening and constructive dialogue, including through employee engagement surveys, as well as through Comcast's nine voluntary employee resource groups, with more than 36,000 members in 240 chapters. These employee-led organisations are open to all and contribute to business priorities, career development and foster an inclusive and collaborative workplace. We also provide a wide variety of opportunities for professional growth for all employees with in-classroom and online trainings and on-the-job experience. We are committed to creating an environment that encourages employees to ask questions, raise concerns and speak up about a workplace issue or suspected illegal or unethical conduct. We provide several channels for speaking up without fear of retaliation, including a helpline and web portal that are administered by an independent third-party company and allow for anonymous reporting when permitted by applicable laws.

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

Disabled Persons

Applications for employment by anyone with a physical or mental impairment are always fully considered, bearing in mind the abilities of the applicant concerned. For members of staff with a disability, or who become disabled during employment, every effort is made to ensure that their employment with the Company continues and that appropriate adjustments are considered and support provided, in line with our reasonable adjustment policy. If a disabled employee is unable to continue in their current role after considering the adjustments available, we have a redeployment policy to provide support to help the employee secure an alternative role. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be equal to that of other employees.

Stakeholder Engagement Statement

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

Corporate Governance Statement

Code of Conduct

The Company is ultimately controlled by Comcast and operates together with Comcast's other subsidiaries as part of the Comcast Group. The Comcast board of directors is responsible for establishing corporate governance practices and policies for the Comcast Group. The Company has adopted the Comcast Code of Conduct, which sets out the four core values that the Comcast Group is guided by: an entrepreneurial spirit; doing the right thing and acting with integrity; having respect for each other; and giving back. It explains how these principles are put into practice within the Comcast Group of companies. Specifics of the Code of Conduct are available at <https://www.cmcsa.com/corporate-governance>.

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

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

Board Composition

The Company's board (the "Board") comprises of 3 directors. The size, structure and composition of the Board is appropriate to meet the Company's strategic needs and challenges and reflects a balance in depth of skills and experience to promote effective decision making.

Strategic and Directors' Report (continued)

Corporate Governance Statement (continued)

Director Responsibilities

The Company's embedded operating framework within the Comcast Group and Sky Group sets out the rules, policies and delegations of authority with which the Company complies and establishes clear lines of accountability and responsibility to support decision-making. The Company delegates authority of day-to-day management to senior executives and engages leadership to set, approve and oversee the execution of the Company's and the Sky Group's business strategy. The Company follows our Contract Standards and Approval Policies for approving contracts which reserves certain matters. In some circumstances additional approvals from specific personnel are required. The Board meets on an ad hoc basis to consider the Company's activities and to review and approve strategic and other key decisions.

Oversight of Management and Risk

Oversight of management and risk is intrinsically linked to the Comcast board of directors, which provides guidance to and oversight of management with respect to Comcast Group's business strategy throughout the year. Active risk management is primarily the responsibility of management, which performs a companywide enterprise risk management assessment to identify key risks and to manage and mitigate the significant strategic, operational and legal risk areas for Comcast, overseen by the Comcast board of directors. In addition, the Company's Board monitors risks relating to the Company and its performance and regularly reviews measures to address and mitigate such risks, as well as monitoring how the Comcast Group strategy is implemented and communicated.

Sky's formal risk management framework is embedded within the business to support the identification and management of risk across the Sky Group. An ongoing monitoring process operated by the Sky Group risk team and supported by senior management identifies and reports on significant changes or new risks. The Sky Group Risk and Assurance function assists the business in developing risk registers and consolidates these both to support Sky's day-to-day approach to risk and to inform Comcast's annual enterprise risk management assessment.

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

Non-Financial and Sustainability Information (NFSI) Statement

For the purpose of this statement, where references are made to the 'Sky Group', this comprises Sky New Media Ventures Limited and all of its subsidiaries (including the Company), as well as Sky German Holdings GmbH and all of its subsidiaries and Sky Italian Holdings Spa and all of its subsidiaries.

Note that this does not form one conventional group in the entity group structure (as Sky New Media Ventures Limited, Sky German Holdings GmbH and Sky Italian Holdings Spa are some of the separate subsidiaries of the same parent, Comcast Sky Holdings Inc.). However, as detailed below, NFSI information is monitored at a 'Sky Group' level, comprising the aforementioned entities.

Governance

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

Comcast Board Oversight

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

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

Strategic and Directors' Report (continued)

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

Management Oversight

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

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

In addition, the Comcast Group's Senior Vice President Corporate Environmental Sustainability and two management committees, a senior executive-level committee and an operational committee, oversee governance of environmental sustainability for the enterprise.

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

Comcast Group's SVP Corporate Environmental Sustainability is responsible for shaping Comcast Group's corporate environmental sustainability strategy and working across the enterprise to ensure the businesses align, operationalise, and execute on that strategy. As Chair of the EOGC, she manages governance for environmental sustainability topics at the enterprise level, including the identification and prioritisation of climate-related risks and opportunities, and setting and monitoring progress against corporate sustainability targets. She works closely with other Corporate Finance leaders (including Accounting & Controllers, FP&A, Treasury, and Internal Audit) and the EOGC to track, monitor, and report on environmental data (e.g., GHG emissions) and significant sustainability initiatives. The SVP Corporate Environmental Sustainability periodically reports to the Governance and Corporate Responsibility Committee on sustainability matters, including with respect to Comcast Group's 2035 carbon neutral goal, and progress toward our sustainability goals is one of various considerations for our management team's annual bonus.

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

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

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

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

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

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

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

Strategic and Directors' Report (continued)

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

Risk Management

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

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

Climate-Related Risks and Opportunities

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

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

Strategic and Directors' Report (continued)

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

Risk Category	Risk Description	Efforts to Mitigate Risk
Transition Risks		
Regulatory and Legal	Increased or changing climate-related rules and regulations in the jurisdictions in which the Sky Group operates, which could lead to increased operational costs, compliance burdens and/or litigation. Such risks could be exacerbated by regulations that are enacted now but rely on future improvements in public infrastructure.	<ul style="list-style-type: none"> Tracking relevant current and emerging regulations. Building into annual budget and long-range plans investments needed to comply with new regulations. Continuing to decarbonise Scope 1, 2 and 3 greenhouse gas (GHG) emissions towards the Sky Group's 2030 target, which may reduce potential regulatory exposure to future requirements based on an entity's GHG emissions.
Market	Increased operational costs due to changing input prices (e.g. energy, water, supply chain) or output requirements (e.g. energy efficiency, waste treatment).	<ul style="list-style-type: none"> Continuing to pursue energy efficiency and reduction initiatives in the Sky Group's network, data centres, facilities and operations to minimise exposure to negative market changes. Securing long-term supply contracts for clean and renewable energy in both deregulated and regulated markets. Continuing to build geographic diversity and supplier reliability, redundancy, and business continuity planning in the Sky Group's supply chain. Continuing to design products and operational infrastructure for refurbishment, reuse and recycling in support of a circular economy to reduce the use of raw materials.
Reputation	Brand and reputation risk from the Company's environmental impact or speed of action around climate or energy, or the climate resilience of the Sky Group's products and services.	<ul style="list-style-type: none"> Continuing to reduce Scope 1, 2 and 3 GHG emissions towards the Sky Group's 2030 target over time. Developed a Code of Conduct for Suppliers and Business Partners, which includes key provisions around business continuity and sustainable practices.

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

Metrics and Targets

In addition to enterprise metrics, targets and key performance indicators, the Company has been reporting its carbon footprint at the Sky Group level since 2005/06.

Metrics

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

Strategic and Directors' Report (continued)

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

	2024		2023	
	UK and Ireland	Sky Group	UK and Ireland	Sky Group
Carbon Emissions (tCO₂e)				
Emissions from combustion of gas (Scope 1)	3,511	3,511	3,244	3,244
Emissions from the consumption of fuel for the purposes of transport (Scope 1)	14,752	16,875	17,469	19,992
Emissions from purchased electricity (Scope 2 - location-based)	34,636	53,261	36,434	54,580
Emissions from business travel in employee-owned vehicles where the company is responsible for purchasing the fuel (Scope 3)	1,606	1,709	254	438
Total Carbon Emissions (tCO₂e)	54,505	75,356	57,401	78,254
Total Energy consumption (kWh)	256,387,236	324,346,169	266,903,404	336,620,365

During the year ended 31 December 2024 the UK&I intensity ratio of total SECR-related carbon emissions (tCO₂e) per FTE was 2.2 (2023: 2.2).

Methodology

The Sky Group's GHG emissions are calculated using the location-based method, in compliance with Streamlined Energy and Carbon Reporting (SECR) requirements. The Sky Group's GHG emissions are calculated in carbon dioxide equivalent (CO₂e) according to the Greenhouse Gas Protocol Corporate Standard and associated guidance. The Sky Group utilise the emission factors from the latest UK Government (DESNZ) Greenhouse Gas Conversion Factors for Company Reporting (2024), IEA Statistics Data Service: Emission Factors (2024 edition) and the EPA eGRID (2022 edition).

Targets

Sky was the first media company to go carbon neutral in Scope 1 and 2 emissions in 2006 (and remains certified as such in all subsequent periods). In 2020, the Sky Group set a science-based target, to halve Scope 1, 2 (market-based), and 3 emissions by 2030 from a 2018 baseline. From 2018 to 2023 the Sky Group's total Scope 1, 2 (market-based) and 3 emissions have decreased by 18%, driven by a decrease in Scope 3 emissions.

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

Between 2023 and 2024, the total Scope 1 and 2 (market-based) emissions have decreased by 8%. The reduction in Scope 1 and 2 emissions is a result of decreased numbers of engineer vans and company cars. During the year, to further reduce Scope 1 and 2 emissions, the Sky Group expanded a programme of cooling optimisation in data centres alongside continuing to deliver a range of heating, ventilation, and air conditioning (HVAC) optimisations primarily focussed on building management initiatives for increasing energy efficiency. The Sky Group continues to be carbon neutral for Scope 1 and 2.

Impact and Resilience

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

Strategic and Directors' Report (continued)

Approved by the Board and signed on their behalf by:



S Robson
Director

Grant Way
Isleworth
Middlesex
United Kingdom
TW7 5QD

18 June 2025

Directors' Responsibilities Statement

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

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

In preparing these financial statements, the Directors are required to:

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

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

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

Auditor's Report

Independent auditor's report to the members of Sky UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Sky UK Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 30.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

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

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

Auditor's Report (continued)

Independent auditor's report to the members of Sky UK Limited (continued)

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Communications Act 2003, Broadcasting Act 1996, Employment Law, pension legislation, the Data Protection Act 2018, and the Bribery Act 2010.

We discussed among the audit engagement team including relevant internal specialists such as Valuations, Tax, IT and Fraud specialists 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 following areas, and our procedures:

- The accounting for contracts with third parties with complex terms - the risk arises due to complexity in interpreting the terms of the relevant contracts.

We performed procedures to address these risks through

- Reviewing complex contracts with third parties to understand terms and conditions and testing a sample of related transactions.

Auditor's Report (continued)

Independent auditor's report to the members of Sky UK Limited (continued)

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

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

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

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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



Nicola Barker FCA, (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

18 June 2025

Income Statement

For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Revenue	3	10,396	10,232
Operating expense	4	(10,508)	(10,456)
Operating loss		(112)	(224)
Investment income	5	6,180	1,277
Finance costs	6	(406)	(310)
Net losses on investments	7	(5,409)	(1,516)
Profit/(loss) before tax	8	253	(773)
Tax	11	(3)	22
Profit/(loss) for the year attributable to equity shareholder		250	(751)

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

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

Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Profit/(loss) for the year attributable to equity shareholder		250	(751)
Other comprehensive income			
Amounts recognised directly in equity that may subsequently be recycled to the income statement			
Gain/(loss) on cash flow hedges	25	15	(20)
Tax charge on cash flow hedges	11	(3)	5
		12	(15)
Other comprehensive profit/(loss) for the year (net of tax)		12	(15)
Total comprehensive income/(loss) for the year attributable to equity shareholder		262	(766)

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

All results relate to continuing operations.

Balance Sheet

As at 31 December 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Goodwill	12	88	88
Intangible assets	13	545	503
Property, plant and equipment	14	773	800
Right-of-use assets	15	201	200
Investment in subsidiaries	16	2,459	2,557
Investments in joint ventures and associates	17	-	-
Deferred tax assets	18	15	22
Cost to obtain customer contracts	19	68	58
Costs-to-fulfil customer contract		1	-
Trade and other receivables	21	9,051	11,911
Derivative financial assets	24	11	21
Minority equity investments		4	4
		<hr/>	<hr/>
Total non-current assets		13,216	16,164
		<hr/>	<hr/>
Current assets			
Inventories	20	1,471	1,611
Trade and other receivables	21	4,679	3,526
Cash and cash equivalents		181	178
Derivative financial assets	24	32	38
Current tax assets		55	63
		<hr/>	<hr/>
Total current assets		6,418	5,416
		<hr/>	<hr/>
Total assets		19,634	21,580
		<hr/> <hr/>	<hr/> <hr/>
Current liabilities			
Trade and other payables	22	12,215	12,414
Lease liabilities		36	27
Provisions	23	15	15
Derivative financial liabilities	24	34	51
		<hr/>	<hr/>
Total current liabilities		12,300	12,507
		<hr/>	<hr/>
Net current liabilities		(5,882)	(7,091)
		<hr/> <hr/>	<hr/> <hr/>

Balance Sheet (continued)

As at 31 December 2024

	Notes	2024 £m	2023 £m
Non-current liabilities			
Trade and other payables	22	1,330	4,094
Lease liabilities		156	155
Provisions	23	5	3
Derivative financial liabilities	24	9	130
		<hr/>	<hr/>
Total non-current liabilities		1,500	4,382
		<hr/>	<hr/>
Total liabilities		13,800	16,889
		<hr/> <hr/>	<hr/> <hr/>
Share capital	26	10	10
Share premium	27	886	1
Reserves	27	4,938	4,680
		<hr/>	<hr/>
Total equity attributable to equity shareholder	27	5,834	4,691
		<hr/>	<hr/>
Total liabilities and shareholder's equity		19,634	21,580
		<hr/> <hr/>	<hr/> <hr/>

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

The financial statements of Sky UK Limited, registered number 02906991 were approved by the Board of Directors on 18 June 2025 and were signed on its behalf by:



S Robson
Director

18 June 2025

Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital £m	Share premium £m	Hedging reserve £m	Retained shareholder's earnings £m	Total shareholder's equity £m
At 1 January 2023	10	1	14	897	922
Loss for the year	-	-	-	(751)	(751)
Recognition and transfer of cash flow hedges:					
Losses on cash flow hedges (see note 25)	-	-	(15)	-	(15)
Total other comprehensive loss for the year	-	-	(15)	-	(15)
Total comprehensive loss for the year	-	-	(15)	(751)	(766)
Inventory cash flow hedge movements (see note 25)	-	-	(11)	-	(11)
Tax on items taken directly to equity (see note 11)	-	-	3	1	4
Issue of share capital (see note 26)	-	4,542	-	-	4,542
Reduction of share premium	-	(4,542)	-	4,542	-
At 31 December 2023	10	1	(9)	4,689	4,691
Profit for the year	-	-	-	250	250
Recognition and transfer of cash flow hedges:					
Gains on cash flow hedges (see note 25)	-	-	12	-	12
Total other comprehensive income for the year	-	-	12	-	12
Total comprehensive income for the year	-	-	12	250	262
Inventory cash flow hedge movements (see note 25)	-	-	(2)	-	(2)
Tax on items taken directly to equity (see note 11)	-	-	-	(1)	(1)
Issue of share capital (see note 26)	-	885	-	-	885
Dividends	-	-	-	(1)	(1)
At 31 December 2024	10	886	1	4,937	5,834

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

For a description of the nature and purpose of the hedging reserve, see note 27.

All results relate to continuing operations.

Notes to the financial statements

1. Company information

Sky UK 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 02906991. The Company's principal activities are set out in the Strategic report.

2. Material accounting policies

a) Statement of compliance

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

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

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

b) Basis of preparation

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

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

The Company has taken advantage of the exemption from preparing consolidated accounts afforded by section 401 of the Companies Act 2006, because it is a wholly-owned subsidiary of Comcast Corporation ("Comcast") which prepares consolidated accounts which are publicly available (see note 30).

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

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the current year accounting period. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Going concern

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

Given the integrated nature of the Group's financial planning and treasury functions, funding requirements have been assessed at the Group level. The Directors believe that the cash flow from operating activities generated by the businesses, together with the Company's existing cash, cash equivalents, investments and available borrowings under its existing credit facilities, including the £6 billion and £700 million revolving credit facilities with Comcast, will be sufficient for the Company to meet its current and long-term liquidity and capital requirements.

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

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

Notes to the financial statements (continued)

2. Material accounting policies (continued)

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

i. Intangible assets

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

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

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

Principal useful economic lives used for this purpose are:

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

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

During 2024, the methodology applied to the capitalisation of resource time was revised. As opposed to timesheets being directly capitalised, a process was implemented whereby capitalisation rates are applied to the relevant staff costs incurred for each Sky value stream. Capitalisation rates are determined based on the judgement of management based on experience and knowledge of the ongoing projects.

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

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

The costs of assets comprise the following, where applicable:

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

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

Freehold buildings	25 to 40 years
Equipment, furniture and fixtures	3 to 20 years
Leasehold improvements	Lesser of lease term and the useful economic life of the asset

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

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

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

Notes to the financial statements (continued)

2. Material accounting policies (continued)

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

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

The assessment of the useful economic lives of both intangible assets and PPE requires judgement. Depreciation and amortisation is charged to the Income Statement based on the useful economic life selected, which requires an estimation of the period and profile over which the Company expects to consume the future economic benefits embodied in the assets. The Company reviews useful economic lives of all its assets on at least an annual basis.

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

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

d) Derivative financial instruments and hedging activities

The Company uses derivative financial instruments to hedge its exposure to fluctuations in interest and foreign exchange rates.

Derivatives are held at fair value from the date on which a derivative contract is entered into. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under IFRS 13 "Fair Value Measurement". The Company calculates a separate credit valuation adjustment ('CVA') or debit valuation adjustment ('DVA') for each derivative based upon the net position for each counterparty relationship.

The Company calculates the CVA where it has a net asset position using a quoted credit default swap curve for the counterparty and calculates the DVA where it has a net liability position using an industry proxy credit default swap curve for the Company. The fair value of derivative financial instruments is calculated by discounting future cash flows with reference to the benchmark Alternative Reference Rate (ARR) curve, adjusted by the relevant credit default swap curve.

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

i. Derivatives that qualify for cash flow hedge accounting

Changes in the fair values of derivatives that are designated as cash flow hedges ("cash flow hedging instruments") are initially recognised in the hedging reserve, to the extent that the hedges are effective, ineffective portions are recognised in profit or loss immediately.

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

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

When a cash flow hedging instrument expires, is terminated or is exercised, or if a hedge no longer meets the qualifying criteria for hedge accounting, any cumulative gain or loss existing in the hedging reserve at that time remains in the hedging reserve provided that the underlying transaction is still expected to occur. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in the hedging reserve is immediately recognised in the Income Statement and all future changes in the fair value of the cash flow hedging instruments are immediately recognised in the Income Statement.

Notes to the financial statements (continued)

2. Material accounting policies (continued)

e) Inventories

i. Acquired and commissioned television programme inventories for broadcast

Programme inventories for broadcast are stated at the lower of cost and net realisable value ("NRV"), including, where applicable, estimated subscriber escalation payments, and net of the accumulated expense charged to the Income Statement to date. Such programming rights are included as inventories when the legally enforceable licence period commences and all of the following conditions have been met: (a) the cost of each programme is known or reasonably determinable; (b) the programme material has been accepted by the Company in accordance with the conditions of the rights, and (c) the programme is available for its first showing.

Prior to being included in inventories, the programming rights are classified as television programme rights not yet available for transmission and not recorded as inventories on the Company's Balance Sheet and are instead disclosed as contractual commitments (see note 28).

The cost of television programme inventories is recognised in the operating expense line of the Income Statement, over the period the Company utilises and consumes the programming rights, applying linear-broadcast and time-based methods of amortisation depending on the type of programme right, taking into account the circumstances primarily as described below. These circumstances may change or evolve over time and as such, the Company regularly reviews and updates the method used to recognise programming expense.

Sports - the majority or all of the cost is recognised in the Income Statement on the first broadcast or, where the rights are for multiple seasons or competitions, such rights are recognised principally on a straight-line basis across the seasons or competitions. Costs are only recognised in the income statement over the period where the matches or competition occurs, with no costs allocated to the off-season period.

Where sports rebates relates to a delay in events taking place, the rebate is treated as a modification to the original contract (change in price), such that the benefit of the rebate is spread over the remaining contractual period in line with underlying amortisation patterns. However, where a sports rebate relates to a partial or complete cancellation of events, the rebate is treated as a reduction in amortisation of the sports right in the accounting period, reflecting the fact that as the events were not delivered for broadcast, no cost should be recognised in the income statement.

News - the cost is recognised in the Income Statement as incurred.

Movies - The cost is recognised in the Income Statement based on an underlying expectation of how groups of stock items are consumed, considering viewing patterns of the inventory.

General entertainment - the cost relating to acquired, commissioned and produced programming rights for broadcast on the Company's linear channels are recognised in the Income Statement based on the viewing patterns of the inventory, considering the underlying expectation of how groups of stock items are consumed.

In assessing the amortisation profile of movies and general entertainment, the Company is required to form an expectation of:

- the period over which the inventory will be broadcast on the Company's linear channels, and the time period over which the programme is expected to be utilised; and
- the expected viewing patterns associated with each inventory, and thus the relative value associated with each broadcast.

The Group regularly reviews its programming rights for impairment. Where programme rights are surplus to the Company's requirements, and no gain is anticipated through a disposal of the rights, or where the programming will not be broadcast for any other reason, a write-down to the Income Statement is made. Any reversals of inventory write-downs are recognised as reductions in operating expense.

ii. Goods held for resale and vouchers used in marketing

Goods held for resale and vouchers are valued at the lower of cost and NRV. The cost of goods held for resale and vouchers is recognised through the operating expense line of the Income Statement on a weighted average basis.

iii. Sky Glass televisions, Mobile Handsets and accessories

Sky Glass televisions, Sky Stream pucks, mobile handsets and accessories held for sale to customers are valued at the lower of cost and NRV. The cost is recognised through the operating expense line of the Income Statement on a weighted average basis.

Notes to the financial statements (continued)

2. Material accounting policies (continued)

f) Financial assets and liabilities

Directly attributable transaction costs are included in the initial measurement of financial assets and liabilities only with respect to those assets and liabilities that are not subsequently measured at fair value through profit and loss. At each balance sheet date, the Company assesses whether there is any objective evidence that any financial asset is impaired.

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

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

i. Minority equity investments

Equity investments are carried at fair value with movements in fair value recognised through profit or loss.

Minority equity investments are included within non-current assets unless the carrying value is expected to be recovered principally through sale within the next 12 months, in which case they are included within current assets.

On disposal, the difference between the carrying amount and the sum of the consideration received is recognised in the Income Statement.

ii. 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.

iii. Cash and cash equivalents

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

iv. Short-term deposits

This includes short-term deposits and commercial paper which have maturity dates of more than three months from inception. These deposits are initially recognised at fair value, and then carried at amortised cost through the Income Statement less any allowance for impairment losses.

v. 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.

vi. Borrowings

Borrowings are recorded as the proceeds received, net of direct issue costs. Finance charges, including any premium payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Income Statement using the effective interest method and are added to the carrying amount of the underlying instrument to which they relate, to the extent that they are not settled in the year in which they arise.

g) Investment in subsidiaries

An investment in a subsidiary is recognised at cost less any accumulated impairment. Cost is considered to be the aggregate of the nominal value of the relevant number of the Company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings.

Notes to the financial statements (continued)

2. Material accounting policies (continued)

h) Investment in joint ventures and associates

An investment in a joint venture or associate is recognised at cost less any accumulated impairment. Cost is considered to be the aggregate of the nominal value of the relevant number of the Company's shares and the fair value of any other consideration given to acquire the share capital of the venture or associate undertakings.

Investments are classified as joint ventures and associates when the Company is determined to have either joint control of, or significant influence over, an investee.

The Company reviews the carrying amounts of its investment to determine whether there is any indication that the investment has suffered an impairment loss.

i) 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.

j) 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 e), non-current assets classified as held-for-sale, financial assets (see accounting policy f) and deferred taxation (see accounting policy n) 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.

k) Revenue recognition

Revenue, which excludes value added tax, represents the gross inflow of economic benefit from the Company's operating activities, and is measured at the fair value of the consideration received or receivable.

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

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

Revenue is recognised, net of any discount given, at a point in time or over time as the goods or services are provided, and control is transferred. Where appropriate, adjustments are made to consider significant financing offered by Sky to the customer. Where revenue is recognised over time, this is typically in a linear method over the life of the contract with the customer.

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

When the Company sells a Sky Glass television, installation or service and a subscription in one bundled transaction, the total consideration from the arrangement is allocated to each element based on their relative fair values, according to standalone selling prices. Discounts are allocated to products on a pro-rata basis according to relative fair values.

Transactional revenue includes the purchase of physical content, NOW sports day passes, pay-per-view and buy to keep content by residential and commercial customers. Transactional revenue is recognised, net of any discount given, at a point in time or over time as relevant goods or service are provided, and control is transferred.

Notes to the financial statements (continued)

2. Material accounting policies (continued)

k) Revenue recognition (continued)

Mobile handset and tablet revenues are recognised upfront on delivery to the customer. The Sky Mobile proposition includes an option whereby the customer can sell their handset to Sky at a pre-set market price. This requires the application of judgement in assessing whether or not the customer's option is on-market, taking into account the expected future resale value of the equipment. If the option is concluded to be on-market, the Group recognises handset and tablet revenue on delivery, and any future purchases of customer handsets or tablets at the time of purchase, as inventory.

As a result of right to purchase the customer's handset at market price, Sky recognises a refund liability and a right to returned goods asset, representing its best estimate of expected cash outflow in repurchasing the handset asset. Where appropriate, adjustments are made to consider significant financing offered by Sky to the customer.

Content revenue includes revenue from the sale of channels and programmes across other platforms and internationally.

Channel sales revenue is recognised as the services are provided on a wholesale basis to cable and other retailers and is based on the number of subscribers taking the Sky channels, as reported to the Company by the cable and other retailers, and the applicable rate card or contract.

Programming sales revenue is earned from the distribution of programming rights and the production of programming. Distribution and production revenue are typically recognised when control of the programme is transferred to the customer.

Advertising sales revenue is recognised when the advertising is broadcast. Revenue generated from airtime sales, where Sky acts as an agent on behalf of third parties, is recognised on a gross basis, as under IFRS 15 Sky is concluded to be responsible for delivering the service and has sufficient influence over price, to be concluded as Principal. A portion of advertising revenue is deferred relating to deal debt, where a campaign has delivered less than its expected impacts, under IFRS 15 refund liability guidance.

Where revenue is accrued under IFRS 15 requirements, this is presented as a contract asset within trade and other receivables.

Where revenue is deferred under IFRS 15 requirements, this is presented as a contract liability within trade and other payables.

l) Employee benefits

i. Wages, salaries and social security contributions

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

ii. Pension obligations

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

iii. Termination benefits

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

iv. Share based payments

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

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

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

Notes to the financial statements (continued)

2. Material accounting policies (continued)

m) 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.

n) Tax, including deferred tax

Corporation tax payable is provided at current tax rates on taxable profits. Tax losses are surrendered as far as possible to other group entities with taxable profits.

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

Taxable temporary differences arising from 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.

Notes to the financial statements (continued)

2. Material accounting policies (continued)

n) Tax, including deferred tax (continued)

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

Provisions for tax contingencies require management to make judgements and estimates in relation to tax audit issues and exposures. Amounts accrued are based on management's interpretation of country-specific tax law and the likelihood of settlement. Tax benefits are not recognised unless it is probable that the tax positions will be sustained. Once considered to be probable, management reviews each material tax benefit to assess whether a provision should be taken against full recognition of the benefit on the basis of the likely resolution of the issue through negotiation and/or litigation. The amounts recognised in the financial statements in respect of each matter are derived from the Company's best estimation and judgement, as described above.

However, the inherent uncertainty regarding the outcome of these items means the eventual resolution could differ from the provision and in such event the Company would be required to make an adjustment in a subsequent year which could have a material impact on the Company's profit and loss and/or cash position.

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

o) 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.

p) FRS 101 exemptions

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

- The requirements of IAS 1 'Presentation of financial statements' and IAS 7 'Statement of cash flows' to present a statement of cash flows and related notes;
- The requirements of IAS 8 'Accounting policies, changes in accounting estimates and errors' to disclose information in relation to accounting standards which are issued but not yet effective;
- The requirements of IAS 24 'Related party disclosures' relating to key management compensation;
- The requirements of IAS 24 'Related party disclosures' to disclose related party transactions between two or more wholly-owned members of a group; and
- The requirement in paragraph 38 of IAS 1 to present comparative information in respect of paragraphs 53(a), (h) and (j) of IFRS 16, paragraph 79(a)(iv) of IAS 1, paragraph 73(e) of IAS 16 Property, Plant and Equipment and paragraph 118(e) of IAS 38 Intangible Assets.

Where relevant, equivalent disclosures have been given in the consolidated accounts of Comcast Corporation.

q) Critical judgements and key sources of estimation uncertainty

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

There are not considered to be any critical accounting judgements or key sources of estimation uncertainty applied in the preparation of the financial statements.

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

Notes to the financial statements (continued)

3. Revenue

	2024	2023
	£m	£m
Direct to consumer	8,736	8,501
Content	529	527
Advertising	1,131	1,204
Total revenue	10,396	10,232

Revenue arises from goods and services provided to the United Kingdom, with the exception of £162 million (2023 restated: £168 million) which arises from services provided outside the United Kingdom. In preparing financial statements for the year ended 31 December 2024, it was noted that the figure stated in the prior-year financial statements for revenue from services provided outside the United Kingdom was overstated by £260 million. The 2023 balance has been restated in the 2024 financial statements.

4. Operating expense

	2024	2023
	£m	£m
Programming	3,429	3,449
Direct network costs	1,745	1,664
Sales, general and administration	5,334	5,343
Total operating expense	10,508	10,456

5. Investment income

	2024	2023
	£m	£m
Intercompany interest receivable	553	536
Distributions received	5,626	740
Other external interest receivable	1	1
	6,180	1,277

Intercompany interest is receivable on certain intercompany loans as detailed in note 21. All distributions were received from wholly owned subsidiaries during the year.

The increase in distributions received was primarily due to the internal corporate reorganisation in the year, with a dividend received from Sky UK Investments Limited ("SUKI") which resulted in the impairment of the Company's investment in SUKI (see note 16).

Notes to the financial statements (continued)

6. Finance costs

	2024	2023
	£m	£m
Intercompany interest payable	(366)	(338)
Interest on lease liabilities	(9)	(1)
Foreign exchange loss on loan	(45)	(5)
Remeasurement of other derivative financial instruments (not qualifying for hedge accounting)	14	34
	<u>(406)</u>	<u>(310)</u>

Intercompany interest is payable on certain intercompany loans as detailed in note 22.

7. Losses on Investments

During the year, the Company realised net gains on disposal of investments of £571 million (2023: losses of £11 million). A £563 million gain was recognised on the disposal of its investment in Sky International Operations Limited (see note 16). An £8 million gain was recognised on the disposal of its investment in Triton Holdings Limited, which had £nil carrying value.

During the year, the Company recognised an investment in subsidiaries impairment charge of £5,670 million (2023: £1,178 million). For more on impairment of investments, please refer to note 16. Additionally, a contribution of £65m was made into a non-direct subsidiary of the Company during the year which was recognised as an impairment expense on the date of contribution. The Company recognised an investment in joint ventures and associates impairment charge of £245 million (2023: £327 million), please refer to note 17.

8. Profit/(loss) before tax

Profit/(loss) before tax is stated after charging	2024	2023
	£m	£m
Cost of inventories recognised as an expense	3,549	3,651
Write down of inventory charged to operating expenses	12	19
Provision for bad and doubtful debts	89	112
	<u> </u>	<u> </u>

Foreign exchange

Foreign exchange differences recognised in the Income Statement during the year amounted to £31 million loss (2023: £29 million gain).

9. Auditor's remuneration

An analysis of auditor's remuneration is as follows:

	2024	2023
	£m	£m
Total audit fees	3	3
	<u> </u>	<u> </u>

Fees payable to the Company's auditor for the audit of the annual accounts were £1.7 million (2023: £1.5 million) and fees payable to the Company's auditor for settlement of audit fees on behalf of other Group companies were £1.6 million (2023: £1.7 million).

Notes to the financial statements (continued)

10. Employee benefits

a) Company employee benefits

	2024	2023
	£m	£m
Wages and salaries	687	705
Social security costs	84	86
Costs of employee share option schemes ⁽ⁱ⁾	54	56
Contributions to the Sky Pension Plan ("the Pension Plan") ⁽ⁱⁱ⁾	39	40
	<u>864</u>	<u>887</u>

(i) The expense recognised for employee share option schemes relates wholly to equity-settled share-based payments granted under the Restricted Stock Units and Sharesave schemes operated by Comcast Corporation (note 26).

(ii) The Company operates a defined contribution pension scheme through the Pension Plan. The pension charge for the year represents the cost of contributions payable by the Company to the scheme during the year. The Company's amount payable to the scheme at 31 December 2024 was £9 million (2023: £9 million).

The average monthly number of full-time equivalent persons (including temporary employees) employed by the Company during the year was 10,179 (2023: 10,036).

	2024	2023
	Number	Number
Channels and services	3,246	3,211
Transmission and technology	3,947	3,885
Customer services, sales and marketing	2,027	1,990
Management and administration	959	950
	<u>10,179</u>	<u>10,036</u>

b) Key management compensation

	2024	2023
	£m	£m
Short-term employee benefits	3	5
Long-term incentive schemes	3	3
	<u>6</u>	<u>8</u>

Key management are defined as the Directors of the Company.

The Company operates a defined contribution pension scheme through the Pension Plan. Contributions were made by the Company to the scheme during the year in respect of 3 Directors (2023: 4).

Long-term incentive schemes were receivable by 3 Directors (2023: 4). Share options were exercised by 3 Directors (2023: 4). Please refer to Note 26 for further information on share option and contingent share award schemes.

During the year, the highest paid director was paid compensation of £3 million (2023: £3 million). Long-term incentive schemes were receivable by the highest paid director in the current and prior years, who also exercised share options during the current and prior years under those schemes.

In addition to the short-term benefits above, payments made to past Directors for loss of office totalled £0.4 million.

Notes to the financial statements (continued)

11. Tax

a) Tax recognised in the Income Statement

	2024 £m	2023 £m
Current tax expense/(credit)		
Adjustment in respect of prior years	-	(20)
Total current tax charge/(credit)	<u>-</u>	<u>(20)</u>
Deferred tax expense/(credit)		
Origination and reversal of temporary differences	(3)	(5)
Adjustment in respect of prior years	6	3
Total deferred tax charge/(credit)	<u>3</u>	<u>(2)</u>
Tax expense/(credit)	<u><u>3</u></u>	<u><u>(22)</u></u>

b) Tax recognised directly in equity

	2024 £m	2023 £m
Deferred tax (charge)/credit relating to share-based payments	(1)	1
Deferred tax (charge)/credit relating to cash flow hedges	(3)	8
	<u>(4)</u>	<u>9</u>

c) Reconciliation of effective tax rate

The tax expense/(income) for the year is lower than (2023: lower than) the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%) applied to profit/(loss) before tax. The differences are explained below:

The charge/(credit) for the year can be reconciled to the profit/(loss) in the Income Statement as follows:

	2024 £m	2023 £m
Profit/(loss) before tax	253	(773)
Profit/(loss) before tax multiplied by rate of corporation tax in the UK of 25.0% (2023: 23.5%)	63	(182)
Effects of:		
Group relief	(18)	(5)
Other permanent differences	(48)	182
Adjustment in respect of prior year	6	(17)
Tax	<u><u>3</u></u>	<u><u>(22)</u></u>

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

Notes to the financial statements (continued)

12. Goodwill

On the 29 April 2012, the assets of Living TV Group Holdings Limited, which was put into liquidation as part of a Group restructuring programme, were transferred to the Company in a common control transaction for consideration of £144 million. The net assets acquired were transferred at book value of £144 million. On transfer the carrying value of the goodwill was £18 million, and the carrying value of the intangible asset relating to the customer contract between Living TV Group Holdings Limited and the Company was £70 million. This resulted in the recognition of £88 million of goodwill by the Company. The carrying value of goodwill at year end is £88 million (2023: £88 million).

13. Intangible assets

	Internally generated intangible assets	Software development (external) and software licences	Other intangible assets	Internally generated intangible assets not yet available for use	Acquired intangible assets not yet available for use	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 31 December 2023	662	374	111	94	31	1,272
Additions	27	47	2	113	32	221
Disposals	(7)	(2)	-	-	-	(9)
Transfers	52	40	-	(52)	(40)	-
At 31 December 2024	734	459	113	155	23	1,484
Amortisation						
At 31 December 2023	498	223	48	-	-	769
Charge for the year	95	75	4	-	-	174
Disposals	(3)	(1)	-	-	-	(4)
At 31 December 2024	590	297	52	-	-	939
Carrying amounts						
At 31 December 2023	164	151	63	94	31	503
At 31 December 2024	144	162	61	155	23	545

The Company's internally generated intangible assets relate to software development associated with Sky's customer management and accounting systems.

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.

	2025	2026	2027	2028	2029
	£m	£m	£m	£m	£m
Estimated amortisation charge	156	119	67	16	4

Other intangible assets include certain assets with indefinite useful lives. The carrying value of these assets at 31 December 2024 is £25 million (2023: £25 million).

Notes to the financial statements (continued)

14. Property, plant and equipment

	Freehold land and buildings ⁽ⁱ⁾	Leasehold improvements	Equipment, furniture and fixtures	Assets not yet available for use	Total
	£m	£m	£m	£m	£m
Cost					
At 31 December 2023	756	16	881	17	1,670
Additions	30	-	5	17	52
Transfers	-	-	12	(12)	-
At 31 December 2024	786	16	898	22	1,722
Accumulated depreciation					
At 31 December 2023	174	16	680	-	870
Charge for the year	19	-	60	-	79
At 31 December 2024	193	16	740	-	949
Carrying amounts					
At 31 December 2023	582	-	201	17	800
At 31 December 2024	593	-	158	22	773

(i) Depreciation was not charged on £80 million of land (2023: £80 million).

15. Right-of-use assets

	Retail Stores	Transponders	Property and Other Leases	Total
	£m	£m	£m	£m
Cost				
At 31 December 2023	43	259	91	393
Additions	-	32	43	75
Disposals	(4)	(27)	(11)	(42)
At 31 December 2024	39	264	123	426
Depreciation				
At 31 December 2023	10	143	40	193
Charge for the year	5	39	24	68
Disposals	-	(21)	(15)	(36)
At 31 December 2024	15	161	49	225
Carrying amounts				
At 31 December 2023	33	116	51	200
At 31 December 2024	24	103	74	201

Notes to the financial statements (continued)

16. Investment in subsidiaries

The movement in the year was as follows:

	Loans £m	Shares £m	2024 £m	2023 £m
Cost and funding				
Beginning of year	36	15,371	15,407	14,026
Subscription for shares	-	6,318	6,318	1,381
Disposals	-	(746)	(746)	-
End of year	36	20,943	20,979	15,407
Amounts provided				
Beginning of year	(5)	(12,845)	(12,850)	(11,672)
Impairment of Investments	-	(5,670)	(5,670)	(1,178)
End of year	(5)	(18,515)	(18,520)	(12,850)
Net book value				
Beginning of year	31	2,526	2,557	2,354
End of year	31	2,428	2,459	2,557

In September 2024 the Company acquired an additional 1 share in SIOL, extinguishing a €200 million (£169 million) loan note receivable from Sky Limited.

In October 2024 the Company transferred part of its shares in SIOL to Comcast Bidco Limited, extinguishing a £864 million loan note payable. The Company recognised a gain of £563 million on the disposal.

In October 2024, the Company acquired an additional 1 share in Sky International Limited for £222 million, in exchange for the transfer of the remainder of the Company's shares in SIOL and all of the Company's shares in Sky Labs Aalborg A/S.

During the year, the Company recognised a £169 million impairment charge in SIOL (2023: impairment of £1,178 million).

In October 2024 the Company acquired all the share capital in Sky UK Investments Limited ("SUKI"), as repayment of £5,375 million in loan notes receivable from SIOL. Following SUKI making a distribution of £5,640 million to the Company, the Company's investment in SUKI was impaired in full.

In December 2024 the Company acquired an additional 1 share in Parthenon Media Group Limited for £300 million, and subsequently recognised a £126 million impairment charge in this investment.

In October 2024 the Company acquired an additional 1 share in Sky CP Limited for £222 million, in exchange for transfer of its shares in Sky International Limited.

In December 2024 the Company acquired an additional 1 share in Neos Ventures Limited for £30 million.

All impairments detailed above arose when the recoverable amount was determined to be less than the carrying amount of the investment.

Notes to the financial statements (continued)

16. Investment in subsidiaries (continued)

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

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

Details of all investments of the Company are as follows:

Incorporated in England and Wales

Sky Central, Grant Way, Isleworth, Middlesex TW7 5QD

Name

Direct Holdings

Athena Discovery Labs Limited
British Sky Broadcasting Limited
Ciel Bleu 6 Limited
Diagonal View Limited
Dolphin TV Limited
Independent Fibre Retail Limited
International Channel Pack Distribution Limited
Multicultural & Ethnic Media Sales Limited
NBC Universal Global Networks UK Limited
Neos Ventures Limited
NOW TV Limited
Parthenon Media Group Limited
Rivals Digital Media Limited
Sky Corporate Secretary Limited
Sky CP Limited
Sky Global Media Limited
Sky Group Limited
Sky Healthcare Scheme 2 Limited
Sky Home Communications Limited
Sky In-Home Service Limited
Sky LLU Assets Limited
Sky Mobile Services Limited
Sky News Limited
Sky Ocean Ventures Partner Limited
Sky Pension Plan Trustees Limited
Sky Publications Limited
Sky Retail Stores Limited
Sky SNI Limited
Sky Subscribers Services Limited
Sky Telecommunications Limited
Sky Telecommunications Services Limited
Sky UK Investments Limited
Sky Ventures Limited
The Cloud Networks Limited
Una Tickets Limited
Virtuous Systems Limited

Notes to the financial statements (continued)

16. Investment in subsidiaries (continued)

Incorporated in England and Wales

Sky Central, Grant Way, Isleworth, Middlesex TW7 5QD

Indirect Holdings

Active Voices Limited
Agreed Voices Limited
Blast! Films Limited
Blast! Films - Hunger Limited
Blast! Films - One Day Limited
Chester Films Productions Limited
Cymru International Limited
Directed Voices Limited
Factual Voices Limited
Japan Productions Limited
Love Productions Limited
Low Voices Limited
MDOA Limited
Newserge Limited
Parthenon 2 Limited
Production Voices Limited
Rising Voices Limited (dissolved 18 February 2025)
Scripted Voices Limited
Sky Comedy Limited
Sky History Limited
Sky International Limited
Sky IQ Limited
Sky SNA Limited
Sky SNI Operations Limited
Sky Studios Limited
Sky Studios Productions Limited
Transistor Films Limited
True North Productions Limited
Two Plus Voices Limited
Wider Voices Limited
Wimbledon Common Limited

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

Name

Indirect holdings

Attheraces Holdings Limited (50.413%)
Attheraces Limited
Attheraces (UK) Limited
Go Racing Limited

Founders Factory Northcliffe House, Young Street, London, W8 5EH

Name

Indirect holdings

Planet Sub-Ocean Ltd Partnership (85%)

Belgium - Boulevard Charlemagne 1, 1041 Brussels

Name

Indirect holdings

Sky Channel SA

Notes to the financial statements (continued)

16. Investment in subsidiaries (continued)

Denmark - Aagade 15B, 9000 Aalborg, Denmark

Name**Indirect holdings**

Sky Labs Aalborg A/S

Hong Kong - Level 54, Hopewell Centre, 183 Queen's Road East

Name**Indirect holdings**

Sky Manufacturing Services Limited

Ireland - Fifth Floor, One Burlington Plaza, Burlington Road, Dublin 4

Name**Indirect holdings**

Sky Ireland Limited

Poland - ul. Rondo Dasznyskiego 2b, 00-843 Warszawa

Name**Indirect holdings**

Sky Supply Chain Services Poland sp. z o.o.

Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808

Name**Indirect holdings**

Big Sky Music, LLC

BSkyB US Holdings, Inc.

Callisto Media West, LLC

Catalina Content, LLC

Jupiter Entertainment, LLC

Jupiter Entertainment Holdings, LLC

Jupiter Entertainment North, LLC

Media Core, LLC

Octave Productions, LLC

The Production Hive, LLC

Znak & Co LLC

c/o CT Corporation System, 300 Montvue Road, Knoxville, TN-39919-5546

Name**Indirect holdings**

PhotoOps, LLC

CSC-Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N, Sacramento CA 95833-3505

Name**Indirect holdings**

Baking Show, LLC

Cotham Hill Productions, LLC

International Journeys, LLC

Jet Tracks, LLC

Love American Journeys, LLC

Love Productions USA, Inc

USA Love Development, LLC

Notes to the financial statements (continued)

17. Investment in joint ventures and associates

The movement in the year was as follows:

	2024	2023
	£m	£m
Funding and cost		
Beginning of the year	-	131
Equity funding	245	196
Impairment	(245)	(327)
	<hr/>	<hr/>
Closing balance for the year	<hr/> - <hr/>	<hr/> - <hr/>

The Company provided further funding to SkyShowtime Limited of £245 million during the year (2023: £196 million). Due to the trading performance of SkyShowtime Limited and losses to date in its start-up phase, an impairment of £245 million was recognised during the year (2023: £327 million).

Details of the investments in joint ventures and associates are as follows. Unless stated otherwise, all are ordinary shareholdings.

Incorporated in England and Wales

1 Queen Caroline Street, London, W6 9YN

Name	Description and proportion of units held (%)
Indirect holdings	
Hearst Networks UK (formerly AETN UK)	50.00%

Sky Central, Grant Way, Isleworth, Middlesex TW7 5QD

Name	Description and proportion of units held (%)
Direct holdings	
SkyShowtime Limited	50.00%

Triptych Bankside, 6th Floor, 185 Park Street London SE1 9SH

Name	Description and proportion of units held (%)
Direct holdings	
DTV Services Limited	20.00%

6th Floor, One London Wall, London EC2Y 5EB

Name	Description and proportion of units held (%)
Direct holdings	
Internet Matters Limited	25.00%

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

Name	Description and proportion of units held (%)
Indirect holdings	
Global Mutuel (UK) Limited	50.00%

180 Oxford Street, London W1D 1DS

Name	Description and proportion of units held (%)
Indirect holdings	
Paramount UK Partnership	25.00%

3rd Floor Waverley House, 7-12 Noel Street, London W1F 8GQ

Name	Description and proportion of units held (%)
Indirect holdings	
The Lighthouse Film and Television Limited	25.00%

Notes to the financial statements (continued)

17. Investment in joint ventures and associates (continued)

Landmark St Peter's Square, 1 Oxford Street, Manchester, M1 4PB

Name	Description and proportion of units held (%)
Indirect holdings	
Odeon and Sky Filmworks Limited (in voluntary liquidation)	50.00%

Holborn Gate, 326-330 High Holborn, London WC1V 7PP

Name	Description and proportion of units held (%)
Direct holdings	
Thinkbox TV Limited	25.00%

16 The Furlong, Henleaze, Bristol, United Kingdom, BS6 7TF

Name	Description and proportion of units held (%)
Indirect holdings	
True To Nature Limited	24.90%

4 Roger Street, 2nd Floor, London, United Kingdom, WC1N 2JX

Name	Description and proportion of units held (%)
Direct holdings	
Clearcast Limited	50.00%

UAE - P.O.Box 77845, Abu Dhabi

Name	Description and proportion of units held (%)
Indirect holdings	
Sky News Arabia FZ-LLC	50.00%

Poland - ul. Mokotowska 19, 00-560 Warsaw

Name	Description and proportion of units held (%)
Indirect holdings	
SkyShowtime Poland sp. Z.o.o	50.00%

Hungary - 1113 Budapest, Bocskai út 134-146

Name	Description and proportion of units held (%)
Indirect holdings	
SkyShowtime CE Europe Kft	50.00%

Spain - Paseo de Recoletos 33, Planta 1 Madrid, 28004-Madrid

Name	Description and proportion of units held (%)
Indirect holdings	
SkyShowtime Iberia srl	50.00%

Sweden - Kungsbros Strand 31, 112 26, Stockholm

Name	Description and proportion of units held (%)
Indirect holdings	
SkyShowtime Nordics AB	50.00%

Notes to the financial statements (continued)

18. Deferred tax

Recognised deferred tax assets

	Accelerated tax depreciation	Short-term temporary differences	Share-based payments temporary differences	Financial instruments temporary differences	Total
	£m	£m	£m	£m	£m
At 1 January 2023	12	(9)	11	(3)	11
Credit to income	(5)	1	5	1	2
Credit to equity	-	-	1	8	9
At 31 December 2023	7	(8)	17	6	22
Charge to income	1	2	(5)	(1)	(3)
Charge to equity	-	-	(1)	(3)	(4)
At 31 December 2024	8	(6)	11	2	15

There is an unrecognised deferred tax asset of £nil (2023: £nil) in respect of tax trading losses and £57 million in respect of tax capital losses (2023: £57 million). There is currently insufficient evidence to support the recognition of a deferred tax asset relating to these losses.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the years in which they reverse. The rate enacted for the relevant years of reversal is 25% (2023: 25%).

19. Cost to obtain customer relationships

Costs to obtain contracts relate to commissions paid to staff relating to acquisition of new subscriber contracts. At 31 December 2024 the balance of cost to obtain contracts was £68 million (2023: £58 million).

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

20. Inventories

	2024	2023
	£m	£m
Television programme rights	1,395	1,514
Sky Glass televisions, Pucks and accessories	21	35
Mobile Handsets and accessories	54	59
Other inventories	1	3
Total inventories	1,471	1,611

At 31 December 2024 68% (2023: 61%) of the television programme rights and 100% (2023: 100%) of other inventory categories is expected to be recognised in the Income Statement within 12 months.

Notes to the financial statements (continued)

21. Trade and other receivables

	2024 £m	2023 £m
Current		
Gross trade receivables	1,201	987
Less: loss allowance	(160)	(126)
Net current trade receivables	1,041	861
Amounts falling due within one year:		
Amounts receivable from other group companies	1,482	1,168
Amounts receivable from subsidiaries	2	97
Amounts receivable from joint ventures and associates	19	22
Amounts receivable from parent company	1,395	644
Prepayments	338	274
Accrued income	305	386
Contract assets	3	4
Other receivables	94	70
Current trade and other receivables	4,679	3,526
Non-current		
Gross trade receivables	793	779
Less: loss allowance	(65)	(65)
Net non-current trade receivables	728	714
Amounts receivable from parent company	5,511	-
Amounts receivable from other Group companies	1,179	1,775
Amounts receivable from subsidiaries	1,545	9,377
Non-current other receivables	88	45
Total non-current trade and other receivables	9,051	11,911
Total trade and other receivables	13,730	15,437

The Directors consider that the carrying amount of trade and other receivables approximates their fair value, except for fixed interest intercompany loans. Fair values are disclosed in note 24.

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

The Company measures a loss allowance account on the contract asset due from customers using a lifetime expected credit loss approach under IFRS 9, taking into account historical churn experience and future prospects.

The Company regularly reviews and updates its estimation techniques, assumptions and calculations as required, the net Income Statement and Balance Sheet impact of which was not material in the year.

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

Notes to the financial statements (continued)

21. Trade and other receivables (continued)

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

	2024	2023
	£m	£m
Not past due date	1,659	1,511
Up to 30 days past due date	35	31
30 to 60 days past due date	30	11
60 to 120 days past due date	12	11
More than 120 days past due date	33	11
	1,769	1,575
	1,769	1,575

Loss allowance

	2024	2023
	£m	£m
Balance at beginning of year	191	173
Increase of loss allowance recognised in Income Statement	34	18
	225	191
	225	191

Amounts receivable from other group companies

Current

Amounts due from other Group companies as at 31 December 2024 are £1,482 million (2023: £1,168 million). £82 million (2023: £12 million) represent trade receivables, these are unsecured, non-interest bearing and are repayable on demand. Interest bearing balances are detailed below:

In July 2020, the Company entered into an agreement with Comcast Bidco Holdings Limited for a loan amount of up to \$1,250 million. The loan was interest bearing at a rate of 0.575% per annum and was repaid during the year as a result of the Group reorganisation project. At year end the balance of this loan plus interest was £nil (2023: £385 million, classified as non-current).

The Company is owed by Comcast Capital International Limited ("CCIL") £1,400 million (2023: £771 million). The Company is a pooling participant in the multi-currency notional pool operated by CCIL and thus any overdrawn accounts are funded by CCIL. Receivable and payable balances with CCIL are offset into one balance with CCIL where appropriate, to reflect its nature as a multi-currency notional pool.

As at 31 December 2024, for pooling participants the followings rates apply:

Currency	Reference rate	Participant deposit	Participant funding
Swiss Francs	1 month SARON	Reference rate minus 3 basis points	Reference rate plus 60 basis points
Euros	1 month EURIBOR	Reference rate plus 12 basis points	Reference rate plus 80 basis points
Pounds Sterling	1 month SONIA	Reference rate plus 8 basis points	Reference rate plus 10 basis points
US Dollars	1 month SOFR	Reference rate plus 12 basis points	Reference rate plus 70 basis points

Non-Current

In November 2014 the Company entered into an agreement with Sky Operational Finance Limited for a loan amount of up to €125 million, which was extended to €350 million in February 2018 and extended further to €750 million from March 2020. The loan was interest bearing at a rate of 3 month EURIBOR +1.00% and was repayable on demand. The loan was repaid during the year, as such the balance on the account at year end was £nil (2023: £573 million).

In October 2015, the Company redenominated an agreement with Sky Operational Finance Limited for a loan of up to €30 million, which was extended to €40 million from September 2020. The loan was repayable on demand and was interest bearing at a rate of EURIBOR +1.00%. The loan was repaid during the year, as such the balance on the account at year end was £nil (2023: £12 million).

Notes to the financial statements (continued)

21. Trade and other receivables (continued)

Amounts receivable from other group companies (continued)

In March 2017, the Company entered into an agreement with Sky Operational Finance Limited for a loan amount of up to £17 million. The loan was interest bearing at a rate of 1.5% per annum and was repayable on demand. The loan was repaid during the year, as such the balance on the account at year end was £nil (2023: £7 million).

The Company has trade receivables, revolving credit facilities and loans with other Group companies amounting to £1,179 million (2023: £1,183 million), all are non-interest bearing and repayable on demand.

Within the Company there is a concentration of risk within accounts receivable from other Group companies. No allowance has been recorded against amounts receivable from other Group companies (2023: No allowance) as the Company has assessed that the expected credit loss in relation to these balances is immaterial.

Amounts receivable from subsidiaries

Current

Amounts due from subsidiaries as at 31 December 2024 are £2 million (2023: £97 million). £2 million (2023: £97 million) represent trade receivables, these are non-interest bearing and are repayable on demand. The balance of £nil (2023: £nil) are loans and revolving credit facilities as detailed below:

In June 2019 the Company entered into a €1,500 million revolving credit facility with Sky Deutschland Fernsehen GmbH & Co. KG with an expiry date of 1 July 2024. The facility was interest bearing at a rate of EURIBOR +1.15% per annum. The facility expired during the year, as such the balance on the account at year end was £nil (2023: £nil).

In April 2020, the Company entered into an agreement with Sky Italia s.r.l for a revolving credit facility of up to €1,000 million. The loan was repayable at the earlier of a mutual agreed date or 21 June 2029 and was interest bearing at a rate of EURIBOR +1.15% per annum. The facility was agreed to end during the year, as such the balance on the account at year end was £nil (2023: £nil).

The Company is exposed to credit risk on its trade and other receivables. The Company does not have any significant concentrations of credit risk on its trade receivables, with exposure spread over a large number of counterparties and customers. Credit risk in relation to intercompany receivables is mitigated by the letter of support provided by Comcast as detailed in Note 2.

Within the Company there is a concentration of risk within accounts receivable from other Group companies and subsidiaries. No allowance has been recorded against these amounts receivable (2023: No allowance) as Company has assessed that the expected credit loss in relation to these balances is immaterial.

Non-Current

In November 2022, the Company entered into an agreement with Sky UK Investments Limited for a loan amount of £6,600 million. The loan was repayable on 23 November 2027 and was interest bearing at a rate of 5.40% per annum. The loan was repaid during the year as part of the Group reorganisation project, as such the balance on the account at year end was £nil (2023: £6,690 million).

In November 2022, the Company entered into an agreement with Sky Ventures Limited for a loan amount of £260 million. The loan is repayable on demand and bears interest at a rate of SONIA +1.00% per annum. At year end the balance of this loan plus interest was £264 million (2023: £264 million).

In November 2022, the Company entered into an agreement with Sky In-Home Service Limited for a loan amount of £1,069 million. The loan is repayable on demand and bears interest at a rate of SONIA +1.00% per annum. At year end the balance of this loan plus interest was £1,084 million (2023: £1,085 million under Current Receivables).

In November 2023, the Company entered into an agreement with Sky International Operations Limited for a loan amount of €850 million. The loan was repayable on 24 November 2033 and was interest bearing at a rate of 3.99% per annum. The loan was repaid during the year as part of the Group reorganisation project, as such the balance on the account at year end was £nil (2023: £740 million).

In June 2024 the Company entered into an agreement with Sky In-Home Services Limited for a loan up to £1,326 million. The facility is interest bearing at a rate of SONIA +1% per annum and is repayable on demand. At year end the balance on the account was £1 million (2023: £nil).

The Company has trade receivables, revolving credit facilities and loans with other subsidiaries amounting to £195 million (2023: £598 million), all are non-interest bearing and repayable on demand.

Amounts receivable from joint ventures and associates

Amounts due from joint ventures and associates represent trade receivables, these balances are unsecured, non-interest bearing and are repayable on demand.

Notes to the financial statements (continued)

21. Trade and other receivables (continued)

Amounts receivable from parent company

Current

In March 2023, the Company entered into an agreement with Sky Limited for a loan amount of up to €734 million. The loan was interest bearing at a rate of 3 month EURIBOR +1.15% per annum and was settled in 2024. As such the balance on the account at year end was £nil (2023: £644 million).

In September 2024, the Company entered into an agreement with Sky Limited for a loan amount of up to €200 million. The loan is interest bearing at a rate of EURIBOR +1.15% per annum and is repayable on demand. At year end the balance on the account was £167 million (2023: £nil).

In October 2024, the Company received a loan note receivable from Sky Limited. The loan is interest bearing at a rate of 4.79% per annum and is repayable on 30 September 2025. At year end the balance on the account was £874 million (2023: £nil).

Amounts due from the parent company includes £521 million (2023: £nil) of trade receivables, these are non-interest bearing and are repayable on demand.

Non-Current

In June 2024, the Company entered into an agreement with Sky Limited for a loan amount of up to £89 million. The loan is interest bearing at a rate of SONIA +1% per annum and is repayable on 30 June 2034. At year end the balance on the account was £38 million (2023: £nil).

In October 2024, the Company received a loan note receivable from Sky Limited. The loan is interest bearing at a rate of 5.35% per annum and is repayable on 23 November 2027. At year end the balance on the account was £3,286 million (2023: £nil).

In October 2024, the Company received a loan note receivable from Sky Limited. The loan is interest bearing at a rate of 1.5% per annum and is repayable on 20 February 2029. At year end the balance on the account was £2,020 million (2023: £nil).

22. Trade and other payables

	2024	2023
	£m	£m
Current		
Amounts falling due within one year:		
Trade payables	1,181	1,271
Amounts payable to parent company	217	1,240
Amounts payable to subsidiaries	4,185	3,293
Amounts payable to other group companies	5,082	4,947
Amounts payable to joint ventures and associates	2	1
Contract liabilities	82	98
VAT	312	260
Accruals	545	720
Deferred income	484	478
Other payables	125	106
Total current trade and other payables	12,215	12,414
Non-current		
Amounts payable to parent company	-	3,244
Amounts payable to subsidiaries	489	-
Amounts payable to other group companies	630	728
Non-current accruals	14	-
Trade and other payables	197	122
Total trade and other payables	13,545	16,508

Notes to the financial statements (continued)

22. Trade and other payables (continued)

The Directors consider that the carrying amount of trade and other payables approximates their fair values, except for fixed interest intercompany loans. Fair values are disclosed in note 24. Trade payables principally comprise amounts outstanding for programming purchases and on-going costs.

Amounts payable to parent company

Current

In July 1999, Sky Limited issued US \$650 million of guaranteed notes and loaned the proceeds to the Company. The Company is liable to the 8.20% external interest payments on the notes. The Company also pays the same rate of interest to Sky Limited. At year end the total of the loan was £49 million (2023: £49 million).

In July 2020, the Company entered into a loan agreement with Sky Limited for US\$1,250 million. The loan was interest bearing at 0.45% per annum and was repaid during the year, in line with the loan term. As such the balance on the account at year end was £nil (2023: £385 million).

In March 2023, the Company entered into an agreement with Sky Limited for a loan amount of up to €734 million. The loan was interest bearing at a rate of 3 month EURIBOR +1.25% per annum and was settled in 2024. As such the balance on the account at year end was £nil (2023: £644 million).

In September 2024, the Company entered into an agreement with Sky Limited for a loan amount of up to €200 million. The loan is interest bearing at a rate of EURIBOR +1.15% per annum and is repayable on demand. At year end the balance on the account was £168 million (2023: £nil).

The Company also has trade payable balances with Sky Limited of £nil (2023: £162 million), these balances are unsecured, non-interest bearing and are repayable on demand.

Non-Current

In November 2022, the Company entered into a loan agreement with Sky Limited for £3,200 million. The loan was interest bearing at 5.40% per annum and was repayable on 23 November 2027. The loan was repaid during the year as part of the Group reorganisation project, as such the balance on the account at year end was £nil (2023: £3,244 million).

Amounts payable to subsidiaries

Current

In November 2021, the Company entered into a loan agreement with Sky Labs Aalborg AS for a loan up to €4 million. The loan is interest bearing at a rate of 0.50% per annum and is repayable on demand. At year end the balance on this account was £3 million (2023: £3 million).

In October 2023, the Company entered into a deposit agreement with Love Productions Limited for GBP deposits. Deposits are interest bearing at a rate of one day SONIA +0.19% per annum and are repayable on demand. The Deposit facility will expire in 2029 or when mutually agreed. At year end the balance on this account was £28 million (2023: £18 million).

In April 2024, the Company entered into a loan agreement with Sky Ventures Limited for a loan up to £90 million. The loan is interest bearing at a rate of SONIA +1% per annum and is repayable on demand. At year end the balance on this account was £91 million (2023: £nil).

In April 2024, the Company entered into a loan agreement with Sky Ventures Limited for a loan up of £1 million. The loan is interest bearing at a rate of one day SONIA +1% per annum and are repayable on demand. At year end the balance on this account was £1 million (2023: £nil).

The Company also has trade payable balances with subsidiaries of £4,062 million (2023: £3,272 million); these balances are unsecured, non-interest bearing and are repayable on demand.

Non-Current

In October 2024, the Company entered into a loan agreement with Sky International Limited for a loan note of £483 million. The loan is interest bearing at a rate of SONIA +1.15% per annum and is repayable on 1 October 2029. At year end the balance on this account, was £489 million (2023: £nil).

Notes to the financial statements (continued)

22. Trade and other payables (continued)

Amounts payable to other group companies

Current

There are amounts due to other Group companies totalling £5,082 million (2023: £4,947 million) of which £546 million (2023: £613 million) are trade payables; these balances are non-interest bearing and are repayable on demand. There are £4,536 million (2023: £4,334 million) of intercompany revolving credit facilities and loans, of which £1,907 million (2023: £1,907 million) is non-interest bearing. All loans are repayable on demand.

In September 2008, the Company entered into a £150 million revolving credit facility agreement with Sky Operational Finance Limited and another with Sky Holdings Limited ("SHL"). At the same time the Company entered into reciprocal facilities on the same terms with Sky Group Finance Limited. The facilities are repayable on demand and bear interest at a rate of SONIA +1.00%. At year end the cumulative balance of these loans plus interest was £56 million (2023: £57 million).

In October 2009, the Company entered into a loan agreement with Sky Group Finance Limited for £611 million. Under the terms of the loan agreement interest is payable at one month SONIA +1.00%. At year end the balance of the loan plus interest was £951 million (2023: £895 million).

In November 2014, the Company entered into an agreement with Sky Operational Finance Limited for a loan amount of £408 million. The loan is repayable on demand and is non-interest bearing. At year end the balance of the loan was £408 million (2023: £408 million).

In February 2015, the Company entered into an agreement with Sky Operational Finance Limited for a loan amount of up to €140 million. The loan was repayable on demand and was interest bearing at 2.00% per annum. The agreement ceased during the year, as such the balance on the account at year end was £nil (2023: £135 million).

In April 2015, the Company entered into an agreement with Sky Operational Finance Limited for a loan amount of €600 million. The loan was repayable on demand and was interest bearing at 3 month EURIBOR +0.75%. The agreement ceased during the year, as such the balance on the account at year end was £nil (2023: £187 million).

In November 2015, the Company entered into an agreement with Sky Operational Finance Limited for a loan amount of £356 million. The loan was repayable on demand and was interest bearing at 3.72% per annum. The agreement ceased during the year, as such the balance on the account at year end was £nil (2023: £358 million).

In 2019, the Company entered into a £3 billion revolving credit facility with Comcast with an expiry date of 10 January 2024. The facility bears interest at SONIA +0.60% per annum. At year end the balance of the facility was £1,214 million (2023: £384 million). Subsequent to year end the RCF was extended to £6 billion and expires in 2027.

The Company has entered into other interest bearing revolving credit facilities and loans with other Group companies amounting to £nil (2023: £3 million), which are repayable on demand.

Non-Current

In November 2023, the Company entered into a loan agreement with Comcast Corporation for £728 million. The loan was interest bearing at 5.30% per annum and was repayable on 24 November 2033. The loan was repaid during the year as part of the Group reorganisation project, as such the balance on the account at year end was £nil (2023: £732 million).

In October 2024, the Company entered into a loan agreement with Comcast Sky Holdings, Inc. for £630 million. The loan is interest bearing at SONIA +1.15% per annum and is repayable on 1 October 2029. At year end the balance on this account, including current interest payable, was £640 million (2023: £nil).

Notes to the financial statements (continued)

23. Provisions

	At 1 January 2023	Reclassified during the year	Provided during the year	Utilised during the year	At 31 December 2023	Provided during the year	Utilised during the year	At 31 December 2024
	£m	£m	£m	£m	£m	£m	£m	£m
Current liabilities								
Restructuring provision	8	-	3	(6)	5	13	(10)	8
Property provisions	3	-	-	(2)	1	-	(1)	-
Other provisions	5	-	6	(2)	9	6	(8)	7
	16	-	9	(10)	15	19	(19)	15
Non-current								
Property provisions	3	-	-	(1)	2	-	(1)	1
Other provisions	2	(1)	-	-	1	-	(1)	-
Restructuring provision	-	-	-	-	-	4	-	4
	5	(1)	-	(1)	3	4	(2)	5

As at 31 December 2024 there was a £8 million provision relating to restructuring (2023: £5 million) which primarily relates to severance. It is anticipated that this will be utilised within 12 months of the balance sheet date.

The Company has provided amounts for onerous contracts in relation to property services, maintenance and legal disputes. The timing of the cash flows for onerous contracts and maintenance are dependent on the remaining terms of the contracts. The timing of the cash flows for legal disputes cannot be reasonably determined.

24. Derivatives and other financial instruments

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

	2024				2023			
	Asset		Liability		Asset		Liability	
	Fair Value	Notional	Fair Value	Notional	Fair Value	Notional	Fair Value	Notional
	£m	£m	£m	£m	£m	£m	£m	£m
Fair Value Hedges								
Cash flow hedges:								
Forward exchange contracts	4	251	(4)	153	2	35	(17)	469
Derivatives not in a formal hedge relationship								
Forward exchange contracts	39	1,038	(39)	1,024	47	1,421	(47)	1,420
Cross-currency swaps	-	-	-	-	10	100	(117)	600
Total	43	1,289	(43)	1,177	59	1,556	(181)	2,489

Notes to the financial statements (continued)

24. Derivatives and other financial instruments (continued)

The maturity of the derivative financial instruments is as follows:

	2024		2023	
	Asset £m	Liability £m	Asset £m	Liability £m
In one year or less	29	(32)	38	(44)
Between one and two years	13	(10)	11	(20)
Between two and five years	1	(1)	-	(65)
In more than five years	-	-	10	(52)
Total	43	(43)	59	(181)

The Company's portfolio of rate derivatives is diversified by maturity, counterparty and type. Natural offsets between transactions within the portfolio and the designation of certain derivatives as hedges significantly reduce the risk of Income Statement volatility.

Counterparty exposure from all derivatives is managed within credit limits that ensure that there is no significant risk to any one counterparty. In addition to this deals are only executed with strong relationship banks that, at the date of signing, each carried a minimum credit rating of "A-" or better from Standard and Poor's or "A3" or better by Moody's Investors Service.

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

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. Following evaluation of those market risks, the Sky Group selectively enters into derivative financial instruments to manage these exposures. The principal instruments currently used are forward exchange contracts and cross currency swaps to hedge transactional and translational currency exposures.

Hedge accounting classification and impact

The Company designates its forward foreign exchange contracts as cash flow hedges of forecast foreign currency sales and purchases. Gains or losses are released from the hedging reserve and included in the initial cost or other carrying amount of the non-financial asset or liability on the Balance Sheet and affect the Income Statement in the same periods as the related hedge items. If forecast transactions are no longer expected to occur, any amounts included in the hedging reserve related to that forecast transaction would be recognised directly in the Income Statement. During the current year gains of £2 million were removed from the hedging reserve and credited to inventories in the Balance Sheet (2023: gains of £11 million).

Hedge effectiveness testing is performed quarterly using the dollar-offset approach. The actual movement in the hedging items is compared with the movement in the valuation of the hypothetically perfect hedge of the underlying risk at inception, and any ineffectiveness is recognised directly in the Income Statement. Less than £1 million of ineffectiveness was recognised in the Income Statement during the current year (2023: less than £1 million).

A hedge relationship is deemed to be effective if the ratio of changes in valuation of the underlying hedged item and the hedging instrument is within the range of 80% to 125%. Any relationship which has a ratio outside this range is deemed to be ineffective, at which point hedge accounting is suspended. During the current year, there were No instances in which the hedge relationship was not highly effective (2023: No instances).

Notes to the financial statements (continued)

24. Derivatives and other financial instruments (continued)

(a) Carrying value and fair value

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

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		Total carrying value £m	Total fair values £m
	Amortised Cost £m	Fair Value through Profit and Loss £m	Amortised Cost £m	Fair Value through Profit and Loss £m		
At 31 December 2024						
Derivative financial instruments	-	43	-	(43)	-	-
Trade and other payables	-	-	(12,667)	-	(12,667)	(12,667)
Minority equity investments	-	4	-	-	4	4
Trade and other receivables	13,336	-	-	-	13,336	13,150
Cash and cash equivalents	181	-	-	-	181	181
At 31 December 2023						
Derivative financial instruments	-	59	-	(181)	(122)	(122)
Trade and other payables	-	-	(15,672)	-	(15,672)	(16,006)
Minority equity investments	-	4	-	-	4	4
Trade and other receivables	15,146	-	-	-	15,146	15,693
Cash and cash equivalents	178	-	-	-	178	178

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

- The fair value of financial assets and financial liabilities with standard terms and conditions and which are traded on active liquid markets is determined with reference to quoted market prices;
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments;
- Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts;
- Interest rate and cross-currency swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates; and
- The fair value of obligations under finance leases and other borrowings is estimated by discounting the future cash flows to net present value. The fair value of short-term deposits and cash and cash equivalents is equivalent to carrying value due to the short-term nature of these instruments.

The differences between carrying values and fair values reflect unrealised gains or losses inherent in the financial instruments, based on valuations as at 31 December 2024 and 31 December 2023. The volatile nature of the markets means that values at any subsequent date could be significantly different from the values reported above.

Notes to the financial statements (continued)

24. Derivatives and other financial instruments (continued)

(b) Fair value hierarchy

The following table categorises the Company's financial instruments which are held at fair value into one of three levels to reflect the degree to which observable inputs are used in determining their fair values:

	Fair value £m	Level 2 £m	Level 3 £m
At 31 December 2024			
<i>Financial assets</i>			
Minority equity investments: unlisted	4	-	4
Cross currency swaps	-	-	-
Forward foreign exchange contracts	43	43	-
Total	47	43	4
<i>Financial liabilities</i>			
Cross currency swaps	-	-	-
Forward foreign exchange contracts	(43)	(43)	-
Total	(43)	(43)	-
At 31 December 2023			
<i>Financial assets</i>			
Minority equity investments: unlisted	4	-	4
Cross currency swaps	10	10	-
Forward foreign exchange contracts	49	49	-
Total	63	59	4
<i>Financial liabilities</i>			
Cross currency swaps	(117)	(117)	-
Forward foreign exchange contracts	(64)	(64)	-
Total	(181)	(181)	-

Level 1

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

Level 2

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

Level 3

Fair values measured using inputs for the asset or liability that are not based on observable market data.

Notes to the financial statements (continued)

24. Derivatives and other financial Instruments (continued)

(c) Offsetting of financial assets and liabilities

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

	Gross amounts of recognised financial assets / (liabilities) £m	Net amounts presented in Balance Sheet £m	Related amounts not set off in the balance sheet	
			Right of set off with derivative counterparties £m	Net amount £m
At 31 December 2024				
Derivative financial assets	43	43	(7)	36
Derivative financial liabilities	(43)	(43)	7	(36)
Total	-	-	-	-
At 31 December 2023				
Derivative financial assets	59	59	(7)	52
Derivative financial liabilities	(181)	(181)	7	(174)
Total	(122)	(122)	-	(122)

Financial assets and liabilities are offset and the amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Derivative financial instruments that do not meet the criteria for offset could be settled net in certain circumstances under ISDA ('International Swaps and Derivatives Association') agreements where each party has the option to settle amounts on a net basis in the event of default from the other.

(d) Changes in assets and liabilities arising from financing activities

	31 December 2023 £m	Net (proceeds)/ repayments £m	Interest Expense £m	Additions to leases £m	Net Financing Gains ⁽ⁱⁱ⁾ £m	31 December 2024 £m
Comcast RCF and Term Loans ⁽ⁱⁱⁱ⁾	(1,103)	(723)	-	-	-	(1,826)
Comcast RCF and Term Loans - Interest ⁽ⁱⁱⁱ⁾	(13)	-	85	-	(100)	(28)
Lease liabilities	(182)	22	9	(32)	(9)	(192)
Assets and liabilities arising from financing activities⁽ⁱ⁾	(1,298)	(701)	94	(32)	(109)	(2,046)

(i) Comcast RCF, Term Loans and Interest, derivatives relating to financing and leases (including impact of IFRS16).

(ii) Includes Comcast RCF and Term Loans Interest, derivative fair value and foreign exchange which impact the Income statement or other comprehensive income and lease interest.

(iii) The Comcast RCF, Term Loans and Interest is included within Amounts payable to other Group Companies in Note 22.

(iv) These are financing derivatives only and are subsets of the Balance Sheet derivatives (which also include operating and investing derivatives).

Notes to the financial statements (continued)

25. Financial risk management objectives and policies

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

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

Market risk

The following table sets out the maturity profile and average interest rates and foreign currency exchange rates of the hedging instruments used in the Company's hedging strategies:

	0 - 6 Months	6 - 12 Months	Beyond 12 Months
At 31 December 2024			
Cash flow hedges			
Foreign Currency risk			
Forward Currency Contracts (GBP:USD)			
Notional Amount (£m)	134	105	164
Average exchange rate to GBP	1.23	1.25	1.28
At 31 December 2023			
Notional Amount (£m)	151	125	228
Average exchange rate to GBP	1.26	1.23	1.23

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

	Carrying amount of the hedging instrument			Line item in the statement of financial position where the hedging instrument is located	Other Comprehensive Income				Hedge ineffectiveness recognised in financing (income) / costs
	Nominal Amount of the hedging instrument				Opening Balance 1 Jan 2024	(Gain) / Loss deferred to OCI	Gain/(loss) reclassified to inventory or prepayments	Closing Balance 31 December 2024	
		Assets	Liabilities						
	£m	£m	£m		£m	£m	£m	£m	£m
Cash Flow Hedges									
Foreign Currency risk									
Forward exchange contracts	404	4	(4)	Derivative Financial Asset and Derivative Financial Liabilities	12	(15)	1	(2)	-

Notes to the financial statements (continued)

25. Financial risk management objectives and policies (continued)

Market risk (continued)

	Nominal Amount of the hedging Instrument	Carrying amount of the hedging Instrument			Line item in the statement of financial position where the hedging instrument is located	Other Comprehensive Income			
				Closing Balance 31 December 2023		Opening Balance 1 Jan 2023	(Gain) / Loss deferred to OCI	Gain/(loss) reclassified to inventory or prepayments	
		Assets	Liabilities						
Cash Flow Hedges		£m	£m	£m		£m	£m	£m	£m
Foreign Currency risk									
Forward exchange contracts	504	2	(17)	Derivative Financial Asset and Derivative Financial Liabilities	(18)	20	10	12	

The following table represents the changes in value of hedging instrument and hedged item for calculating hedge ineffectiveness:

	Hedging Instrument	Change in value of hedging instrument for calculating hedge ineffectiveness £m	Change in value of hedged item for calculating hedge ineffectiveness £m
At 31 December 2024			
Cash Flow Hedges			
Foreign exchange risk			
USD Payables	Forward Contracts	(15)	15
At 31 December 2023			
Cash Flow Hedges			
Foreign exchange risk			
USD Payables	Forward Contracts	20	(20)

Capital Risk Management

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

Notes to the financial statements (continued)

25. Financial risk management objectives and policies (continued)

Liquidity risk

The Company's financial liabilities are shown in notes 22 and 23.

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	Between one and two years	Between two and five years	More than five years	Total
		£m	£m	£m	£m	£m
At 31 December 2024						
<i>Non-derivative financial liabilities</i>						
Trade and other payables		11,337	117	1,188	25	12,667
Provisions		15	5	-	-	20
<i>Gross settled derivatives</i>						
Asset	Outflow	687	490	58	-	1,235
	Inflow	(721)	(513)	(60)	-	(1,294)
Liability	Outflow	803	349	45	-	1,197
	Inflow	(766)	(329)	(43)	-	(1,138)

		Less than 12 months	Between one and two years	Between two and five years	More than five years	Total
		£m	£m	£m	£m	£m
At 31 December 2023						
<i>Non-derivative financial liabilities</i>						
Trade and other payables		11,578	103	3,263	728	15,672
Provisions		15	1	2	-	18
<i>Gross settled derivatives</i>						
Asset	Outflow	931	523	12	104	1,570
	Inflow	(966)	(530)	(10)	(112)	(1,618)
Liability	Outflow	1,206	779	437	357	2,779
	Inflow	(1,165)	(764)	(385)	(312)	(2,626)

Credit risk

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

Credit risk in the Company's residential customer base is mitigated by billing and collecting in advance for digital television subscriptions for the majority of its residential customer base.

The Company's maximum exposure to credit risk on trade receivables is the carrying amounts as disclosed in note 21.

Interest rate risk

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

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

Notes to the financial statements (continued)

25. Financial risk management objectives and policies (continued)

Interest rate sensitivity

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

A one percentage point increase or decrease represents management's assessment of the reasonably possible change in interest rates. If interest rates had been one percentage point higher, and all other variables were held constant, the Company's profit for the year ended 31 December 2024 would decrease by £nil (2023: loss for the year would increase £8 million).

The sensitivity analyses provided are hypothetical only and should be used with caution as the impacts provided are not necessarily indicative of the actual impacts that would be experienced because the Company's actual exposure to market rates changes as the Company's portfolio of debt, cash and foreign currency contracts changes. In addition, the effect of a change in a particular market variable on fair values or cash flows is calculated without considering interrelationships between the various market rates or mitigating actions that would be taken by the Company. The changes in valuations are estimates of the impact of changes in market variables and are not a prediction of future events or anticipated gains or losses.

Foreign exchange risk

The Company's revenues are substantially denominated in pounds sterling, although a significant proportion of operating costs are denominated in US dollars. These costs relate mainly to the Company's programming contracts with US suppliers.

The Sky Group hedges currency exposures on US dollar denominated highly probable cash flows by using forward exchange contracts purchased up to thirty months ahead of the cash flow and currently no longer hedges transactional euro exposures arising in the UK.

It is the Group's policy that all US dollar foreign currency exposures are substantially hedged in advance of the year in which they occur. At 31 December 2024, the Sky Group had purchased forward foreign exchange contracts representing:

Approximately 66% (2023: 71%) of US dollar denominated costs falling due within one year and, on a declining basis across a thirty month planning horizon are hedged via:

- Outstanding commitments to purchase, in aggregate, \$836 million (2023: \$1,271 million) at an average exchange rate of £1.00 to \$1.25 (2023: £1.00 to \$1.24), of which \$302 million was purchased on behalf of other group companies.
- Outstanding commitments to sell, in aggregate, \$32 million (2023: \$10 million) at an average exchange rate of £1.00 to \$1.28 (2023: £1.00 to \$1.26), of which \$9 million was sold on behalf other group companies.

The Company has taken out the following positions on behalf of other Group companies:

- Outstanding commitments to purchase, in aggregate, \$669 million (2023: \$864 million) at an average exchange rate of €1.00 to \$1.11 (2023: €1.00 to \$1.10), of which \$669 million (2023: \$849 million) was purchased on behalf of other group companies.
- Outstanding commitments to sell, in aggregate, \$39 million (2023: \$58 million) at an average exchange rate of €1.00 to \$1.09 (2023: €1.00 to \$1.09), of which \$39 million (2023: \$43 million) was sold on behalf of other group companies.
- Outstanding commitments to sell, in aggregate, €247 million (2023: €242 million) at an average rate of £1.14 to €1.00 (2023: £1.13 to €1.00), all of which was sold on behalf of other group companies.

For forward exchange contracts, hedge accounting is applied to changes in the full fair value. Any hedge ineffectiveness on the forward exchange contracts is recognised directly in the Income Statement. The ongoing effectiveness testing is performed using the dollar-offset approach. If forecast transactions are no longer expected to occur, any amounts included in the hedging reserve related to that forecast transaction would be recognised directly in the Income Statement. Certain forward exchange contracts have not been designated as hedges and movements in their values continue to be recorded directly in the Income Statement.

It is the Company's policy that anticipated USD foreign currency exposures are substantially hedged in advance of the fiscal year in which the exposure occurs.

Notes to the financial statements (continued)

25. Financial risk management objectives and policies (continued)

Foreign exchange sensitivity

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

- A 25% strengthening in pounds sterling against the Dollar would have a beneficial effect on profit of £13 million (2023: beneficial impact of £22 million). The same move would have an adverse impact on other equity of £58 million (2023: adverse impact of £76 million).
- A 25% weakening in pounds sterling against the Dollar would have an adverse effect on profit of £22 million (2023: adverse impact of £36 million). The same move would have a beneficial impact on other equity of £97 million (2023: beneficial impact of £126 million).
- A 25% strengthening in pounds sterling against the Euro would have a beneficial impact on profit of £9 million (2023: beneficial impact of £99 million). The same move would have no impact on other equity (2023: no impact).
- A 25% weakening in pounds sterling against the Euro would have an adverse impact on profit of £14 million (2023: adverse impact of £165 million). The same move would have no impact on other equity (2023: no impact).

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

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

26. Share capital

	2024	2024	2023	2023
	Number	£m	Number	£m
Authorised, called-up and fully paid				
Ordinary shares of £1.00 each				
Beginning of year	10,002,010	10	10,002,009	10
Issued during the year	4	-	1	-
End of year	10,002,014	10	10,002,010	10

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

In October 2024 the Company issued 1 share to Sky Limited, extinguishing a £761 million loan note payable issued by the Company during the year. The loan note had initially been issued to Sky Limited in exchange for the assumption by that company of a loan payable to Comcast Corporation.

In October 2024 the Company issued 2 shares to Sky Limited, in exchange for loan notes of €149 million (£124 million) receivable from Sky International Operations Limited. The loan notes were subsequently repaid by the transfer of shares in Sky UK Investments Limited to the Company.

In October 2024 the Company issued 1 share to Sky Limited, extinguishing a £75 thousand intercompany payable to Comcast Bidco Holdings Limited.

Share option and contingent share award schemes

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

Notes to the financial statements (continued)

26. Share capital (continued)

Share option and contingent share award schemes (continued)

The awards outstanding can be summarised as follows:

Scheme	2024 Number of ordinary shares	2023 Number of ordinary shares
Sharesave Scheme options ⁽ⁱ⁾	1,749,528	1,503,877
Comcast Corporation RSU awards ⁽ⁱⁱ⁾	2,838,760	3,127,865
Management Special Incentive awards ⁽ⁱⁱⁱ⁾	1,685,259	1,633,274
	6,273,547	6,265,016

(i) Sharesave Scheme options

All Sharesave Scheme options outstanding at 31 December 2024 and 31 December 2023 have no performance criteria attached, other than the requirement that the employee remains in employment with Sky. Options granted under the Sharesave Scheme are to be exercised within six months of the relevant award vesting date.

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

(ii) Comcast Corporation RSU awards

All awards outstanding at 31 December 2024 and at 31 December 2023 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.

(iii) Management Special Incentive awards

All Management Special Incentive award outstanding at 31 December 2024 and 31 December 2023 vest only if performance conditions are met.

Share option and contingent share award schemes

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

Notes to the financial statements (continued)

26. Share capital (continued)

Share option and contingent share award schemes (continued)

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 2023	2,268,299	23.91	4,401,350	-	6,669,649	8.13
Granted during the year	199,599	21.94	2,141,843	-	2,341,442	1.87
Vested during the year	(338,562)	27.24	(1,599,509)	-	(1,938,071)	4.76
Forfeited during the year	(214,802)	25.36	(182,545)	-	(397,347)	13.71
Transferred during the year	(410,657)	27.26	-	-	(410,657)	27.26
Outstanding at 31 December 2023	1,503,877	21.78	4,761,139	-	6,265,016	5.23
Granted during the year	306,447	26.22	1,502,400	-	1,808,847	4.44
Vested during the year	(177,143)	26.98	(1,462,669)	-	(1,639,812)	2.91
Forfeited during the year	(170,288)	24.49	(276,851)	-	(447,139)	9.33
Transferred during the year	286,635	27.88	-	-	286,635	27.88
Outstanding at 31 December 2024	1,749,528	24.40	4,524,019	-	6,273,547	6.80

The weighted average market price of Comcast's shares at the date RSU awards vested during the year was £41.63 (2023: £47.66).

The following table summarises information about share awards outstanding at 31 December 2024 and 31 December 2023:

	Sharesave scheme		Senior management schemes		Total	
	2024	2024 Weighted average remaining contractual life	2024	2024 Weighted average remaining contractual life	2024	2024 Weighted average remaining contractual life
Range of Exercise Prices	Number	years	Number	years	Number	years
£0.00 - £1.00	-	-	4,524,019	1.78	4,524,019	1.78
£21.00 - £34.00	1,749,528	1.67	-	-	1,749,528	1.67
	1,749,528	1.67	4,524,019	1.78	6,273,547	1.75

	Sharesave scheme		Senior management schemes		Total	
	2023	2023 Weighted average remaining contractual life	2023	2023 Weighted average remaining contractual life	2023	2023 Weighted average remaining contractual life
Range of Exercise Prices	Number	years	Number	years	Number	years
£0.00 - £1.00	-	-	4,761,139	2.12	4,761,139	2.12
£19.00 - £34.00	1,503,877	2.10	-	-	1,503,877	2.10
	1,503,877	2.10	4,761,139	2.12	6,265,016	2.12

Notes to the financial statements (continued)

26. Share capital (continued)

Share option and contingent share award schemes (continued)

The exercise prices of options outstanding at 31 December 2024 ranged from nil to £33.31 (2023: nil to £33.31).

At 31 December 2024 and 31 December 2023 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 £29.27 (2023: £28.53). This was calculated using the Black-Scholes share option pricing model except for awards which have market-based performance conditions, where a Monte-Carlo simulation model was used, and for grants of nil-priced options, which were treated as the award of a free share. The fair value of nil-priced options granted during the period was measured on the basis of the market-price of Comcast's shares on the date of grant, discounted for expected dividends which would not be received over the vesting period of the options.

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

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 £11.22 (2023: £12.61). This was calculated using the Black-Scholes share option pricing model.

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

	2024	2023
Share price	£33.53	£36.22
Exercise price	£26.22	£21.94
Expected volatility	25.1%	30.7%
Expected life	3.2 years	3.2 years
Expected dividend	2.9%	3.5%
Risk-free interest rate	4.1%	4.1%

Senior management schemes

The weighted average fair value of equity-settled share awards granted during the year under the Senior Management Schemes, as estimated at the date of grant, was £32.95 (2023: £30.01). 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:

	2024	2023
Share price	£32.85	£29.55
Exercise price	£0	£0
Expected volatility	0%	0%
Expected life	2.9 years	3.0 years
Expected dividend	0.1%	0.1%
Risk-free interest rate	2.3%	2.3%

Notes to the financial statements (continued)

27. Shareholders' equity

	2024	2023
	£m	£m
Share capital	10	10
Share premium	886	1
Hedging reserve	1	(9)
Retained earnings	4,937	4,689
	<u>5,834</u>	<u>4,691</u>

Hedging reserve

Changes in the fair values of derivatives that are designated as cash flow hedges are initially recognised in the hedging reserve, to the extent that the hedges are effective. Amounts accumulated in the hedging reserve are subsequently recognised in the initial cost or other carrying value of the non-financial asset or liability on the Balance Sheet and the Income Statement in the periods in which the related hedged items are recognised in the Income Statement. In addition, deferred tax relating to these derivatives is also initially recognised in the hedging reserve prior to transfer to the Income Statement.

See further detail of the hedges entered into by the Company in note 25.

28. Contracted commitments, contingencies and guarantees

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

	Less than 1 year	Between 1 and 5 years	After 5 years	Total at 31 December 2024	Total at 31 December 2023
	£m	£m	£m	£m	£m
Television programme rights	2,536	7,488	189	10,213	12,745
Third party payments ⁽ⁱ⁾	176	232	32	440	437
Other	81	129	2	212	238
Total	<u>2,793</u>	<u>7,849</u>	<u>223</u>	<u>10,865</u>	<u>13,420</u>

(i) The third party payment commitments are in respect of distribution agreements for the television channels owned and broadcast by third parties, retailed by the Group to retail and commercial subscribers ("Sky Distributed Channels").

Foreign currency commitments are translated to pounds sterling at the rate prevailing at the balance sheet date.

Included in the commitments above are £54,000,000 (2023: £115,000,000) for commitments to purchase intangible assets and £9,000,000 (2023: £21,000,000) for commitments to purchase property, plant and equipment.

b) Contingencies and guarantees

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

29. Transactions with related parties

a) Derivative contracts on behalf of Sky Italia Srl ("Sky Italia")

The Company took out a number of derivative contracts with counterparty banks prior to and during the year on behalf of the indirect subsidiary Sky Italia. On the same dates as these derivative contracts were entered into, the Company entered into equal and opposite contracts with Sky Italia in respect of these derivative contracts.

The Company was not exposed to any of the net gains or losses on these derivative contracts. The face value of the derivative contracts that had not matured as at 31 December 2024 was £317 million (2023: £390 million).

During the year, US\$305 million (2023: US\$371 million) was paid to Sky Italia upon maturity of derivative contracts, £46 million (2023: £78 million) was paid to Sky Italia upon maturity of derivative contracts and €340 million (2023: €429 million) was received from Sky Italia upon maturity of derivative contracts.

Notes to the financial statements (continued)

29. Transactions with related parties (continued)

b) Derivative contracts on behalf of Sky Deutschland GmbH ("Sky Deutschland")

The Company took out a number of derivative contracts with counterparty banks prior to and during the year on behalf of the indirect subsidiary Sky Deutschland. On the same dates as these derivative contracts were entered into, the Company entered into equal and opposite contracts with Sky Deutschland in respect of these derivative contracts.

The Company was not exposed to any of the net gains or losses on these derivative contracts. The face value of the derivative contracts that had not matured as at 31 December 2024 was £249 million (2023: £309 million).

During the year, US\$233 million (2023: US\$228 million) was paid to Sky Deutschland upon maturity of derivative contracts, £150 million (2023: £78 million) was paid to Sky Deutschland upon maturity of derivative contracts and €390 million (2023: €275 million) was received from Sky Deutschland upon maturity of derivative contracts.

c) Derivative contracts on behalf of Sky Limited

The Company was not exposed to any of the net gains or losses on these derivative contracts. The face value of the swaps that had not matured as at 31 December 2024 was £nil (2023: £100 million).

d) Derivative contracts on behalf of Sky CP Limited ("Sky CP")

The Company took out a number of derivative contracts with counterparty banks prior to and during the year on behalf of the subsidiary Sky CP. On the same dates as these derivative contracts were entered into, the Company entered into equal and opposite contracts with Sky CP in respect of these derivative contracts.

The Company was not exposed to any of the net gains or losses on these derivative contracts. The face value of the derivative contracts that had not matured as at 31 December 2024 was £248 million (2023: £499 million).

During the year, US\$514 million (2023: US\$583 million) was paid to Sky CP upon maturity of derivative contracts and £414 million (2023: £457 million) was received from Sky CP upon maturity of derivative contracts.

e) Derivative contracts on behalf of Sky Subscribers Services Limited ("SSSL")

The Company took out a number of derivative contracts with counterparty banks during the year on behalf of the subsidiary SSSL. On the same dates as these derivative contracts were entered into, the Company entered into equal and opposite contracts with SSSL in respect of these derivative contracts.

The Company was not exposed to any of the net gains or losses on these derivative contracts. The face value of the derivative contracts that had not matured as at 31 December 2024 was £204 million (2023: £210 million).

During the year, £157 million (2023: £208 million) was paid to SSSL upon maturity of derivative contracts and €180 million (2023: €238 million) was received from SSSL upon maturity of derivative contracts.

30. Ultimate parent undertaking

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

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

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