S.A.T.V. Publishing Limited

Annual report and financial statements
for the year ended 30 June 2009

Registered number: 1085975

Directors and Officers

For the year ended 30 June 2009

Directors

S.A.T.V. Publishing Limited's ("the Company's") present Directors and those who served during the year are as follows:

D J Darroch

A J Griffith

Secretary

D J Gormley

Registered office

Grant Way
Isleworth
Middlesex
TW7 5QD

Auditors

Deloitte LLP
Chartered Accountants and registered auditors
London

Directors' report

The Directors present their Annual Report on the affairs of the Company, together with the financial statements and Auditors' Report for the year ended 30 June 2009.

Business review and principal activities

The Company is a wholly-owned subsidiary of British Sky Broadcasting plc ("BSkyB") and operates together with BSkyB's other subsidiaries as a part of the Group.

The Company's principal activity is the collection of royalties on music copyrights. 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.

The audited financial statements for the period ending 30 June 2009 are set out on pages 6 to 14. The profit for the year was £178,000 (2008: £241,000). The balance sheet shows that the Company's shareholders' equity position at the end of the period was £1,477,000 (2008: £1,299,000). The Directors do not recommend the payment of a dividend (2008: nil).

The Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

There have been no significant events since the year end.

Directors

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

Principal risks and uncertainty

The Company's activities expose it to liquidity risk.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company relies on the Group treasury function, which has access to a £1,000m rolling credit facility to ensure ongoing liquidity.

The Directors do not believe the business is exposed to cash flow risk, intercompany credit risk or price risk.

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 Directors' Report details the financial position of the Company, as well as the Company's objectives and policies, and details of its exposures to credit risk and liquidity risk.

After making enquiries, the directors have formed a judgment at the time of approving the financial statements that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors' report

Auditors

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

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

Deloitte LLP have expressed their willingness to continue as auditors and a resolution to reappoint them will be proposed at the forthcoming annual General Meeting.

By order of the Board,

D. Gormley

D J Gormley
Company Secretary
Grant Way
Isleworth
Middlesex
TW7 5QD
13 November 2009

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S.A.T.V. PUBLISHING LIMITED

We have audited the financial statements of S.A.T.V. Publishing Limited for the year ended 30 June 2009 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 auditors' 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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view and of the company's affairs as at 30 June 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1 to the financial statements, the company in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Company financial statements comply with IFRSs as issued by the IASB.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

T. R. Powell

Timothy Powell (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, UK

13 **November 2009**

Income Statement for the year ended 30 June 2009

	Notes	2009 £'000	2008 £'000
Revenue	2	**312**	288
Operating expense	3	**(134)**	(47)
Operating profit		**178**	241
Profit before tax	4	**178**	241
Taxation	5	**-**	-
Profit for the year		**178**	241

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

All results derived from continuing operations.

Statement of Changes in Equity for the year ended 30 June 2009

	Share Capital £'000	Retained earnings £'000	Total shareholders' equity £'000
As at 1 July 2007	-	1,058	1,058
Profit for the year	-	241	241
At 30 June 2008	-	1,299	1,299
Profit for the year	-	**178**	**178**
At 30 June 2009	-	**1,477**	**1,477**

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

Balance Sheet as at 30 June 2009

	Notes	2009 £'000	2008 £'000
Current assets			
Trade and other receivables	6	**1,626**	2,494
Cash and cash equivalents		**532**	221
Total assets		**2,158**	2,715
Current liabilities			
Trade and other payables	7	**681**	1,416
Total liabilities		**681**	1,416
Shareholders' equity		**1,477**	1,299
Total liabilities and shareholders' equity		**2,158**	2,715

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

These financial statements of S.A.T.V Publishing Limited, registration number 1085975 have been approved by the Board of Directors on 13 November 2009 and were signed on its behalf by:

A J Griffith
Director

13 November 2009

Cash Flow Statement for the year ended 30 June 2009

	Note	2009 £'000	2008 £'000
Cash flows from operating activities			
Cash generated (used) from operations	10	**311**	(803)
Net cash from operating activities		**311**	(803)
Net increase (decrease) in cash and cash equivalents		**311**	(803)
Cash and cash equivalents at the beginning of the year		**221**	1,024
Cash and cash equivalents at the end of the year		**532**	221

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

Notes to the financial statements

1. Accounting policies

S.A.T.V. Publishing Limited (the "Company") is a limited liability company incorporated in Great Britain, and domiciled in the United Kingdom ("UK").

a) Statement of compliance
These financial statements are prepared in accordance with IFRS (including International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board ("IASB") and its committees) as adopted for use in the European Union ("EU"), the Companies Act 2006 and as issued by the IASB.

b) Basis of preparation
The financial statements have been prepared on an historical cost basis, except for the remeasurement to fair value of financial instruments as described in the accounting policies below. In preparing the financial statements, the Directors have adopted the going concern basis as explained in the Directors report.

The Company maintains a 52 or 53 week fiscal year ending on the Sunday nearest to 30 June in each year. In fiscal year 2009, this date was 28 June 2009, this being a 52 week year (fiscal year 2008: 29 June 2008, 52 week year). For convenience purposes, the Company continues to date its consolidated financial statements as at 30 June.

The Company has taken advantage of the exemption from preparing the consolidated accounts afforded by section 400 of the Companies Act 2006, because it is a wholly-owned subsidiary of BSkyB which prepares consolidated accounts which are publicly available (see note 12).

c) Financial assets and liabilities

Financial assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. 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 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 or cancelled or expires.

i. Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments and are measured at amortised cost using the effective interest method. Trade and other receivables, with no stated interest rate, are measured at the original invoice amount if the effect of discounting is immaterial. An allowance account is maintained to reduce the carrying value of trade and other receivables for impairment losses identified from objective evidence, with movements in the allowance account, either from increased impairment losses or reversals of impairment losses, being recognised in the income statement.

ii. Cash and cash equivalents

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

iii. Trade and other payables

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

Notes to the financial statements

1. Accounting policies (continued)

d) Revenue recognition

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

e) Taxation, including deferred taxation

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

Deferred tax assets and liabilities are recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Temporary differences arising from goodwill and 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 substantially 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 period when the liability is settled or the asset is realised. Deferred tax assets and liabilities are not discounted. Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also included within equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for our accounting periods beginning on or after 1 July 2009 or later periods. These new standards are listed below:

- IFRS 8 "Operating Segments" (effective 1 January 2009)
- IFRIC 17 "Distributions of Non Cash Assets to Owners" (effective 1 July 2009)
- IFRIC 18 "Transfers of Assets to Customers" (effective 1 July 2009)
- Revision to IAS 1 "Presentation of Financial Statements" (effective 1 January 2009)
- Amendments to IAS 23 "Borrowing Costs" (effective 1 January 2009)
- Revision to IFRS 3 "Business Combinations" (effective 1 July 2009)
- Revision to IAS 27 "Consolidated and Separate Financial Statements" (effective 1 July 2009)
- Amendment to IFRS 2 "Share-Based Payment" (effective 1 January 2009)
- Amendment to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (effective 1 July 2009)
- Amendments to IAS 28 "Investment in Associates" (effective 1 January 2009)
- Amendment to IAS 32 "Financial Instruments: Presentation" (effective 1 January 2009)
- Amendments to IAS 38 "Intangible Assets" (effective 1 January 2009)
- Amendment to IAS 39 "Financial Instruments: Recognition and Measurement" (effective 1 January 2009)

The Directors are currently evaluating the impact of the adoption of these standards, amendments and interpretations in future periods.

Notes to the financial statements

1. Accounting policies (continued)

g) Critical accounting policies

Critical accounting policies are those that require significant judgement or estimates and potentially result in material different results under different assumptions or conditions. The Directors believe that the Company is not subject to any such policies.

2. Revenue

Revenue arose from the Company's sole class of business, being the collection of royalties. Revenue was derived principally from activities conducted within the United Kingdom and Ireland.

The Company does not have any separable business segments.

3. Operating expenses

	2009	2008
	£'000	£'000
Royalty expenses (licence fees)	**134**	47

4. Profit before tax

There were no staff costs during the year, as the Company had no employees (2008: none). Services were provided by employees of other companies within the Group (defined as BSkyB and its subsidiaries), with no charge being made for their services (2008: nil). The Directors did not receive any remuneration during either year in respect of their services to the Company.

Amounts paid to the auditors for audit services of £11,000 (2008: £11,000) were borne by another Group subsidiary in 2009 and 2008. No amounts for other services have been paid to the auditors.

Notes to the financial statements

5. Taxation

a) Taxation recognised in the income statement

	2009	2008
	£'000	£'000
Current tax expense		
Current year	-	-
Adjustment in respect of prior years	-	-
Total current tax	-	-

b) Reconciliation of total tax charge

The tax expense for the year is lower (2008: lower) than the standard rate of corporation tax in the UK (28%) (2008: 29.5%) applied to profit before tax. The differences are explained below:

	2009	2008
	£'000	£'000
Profit before tax	**178**	241
Profit before tax multiplied by standard rate of corporation tax in the UK of 28% (2008: 29.5%)	**50**	71
Effects of:		
Group relief claimed for nil consideration	**(50)**	(71)
Taxation	-	-

6. Trade and other receivables

	2009	2008
	£'000	£'000
Trade receivables	**2**	-
Amounts receivable from other group companies	**1,624**	2,494
	1,626	2,494

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. Amounts owed by fellow subsidiary undertakings are non-interest bearing and repayable on demand.

During the year the Company transferred its receivable of £950,000 from BSkyB Finance (Luxembourg Sarl) as full settlement of its payable to BSkyB Limited.

Notes to the financial statements

7. Trade and other payables

	2009	2008
	£'000	£'000
Amounts payable to ultimate parent company	-	813
Amounts payable to other group companies	681	603
	681	1,416

The Directors consider that the carrying amount of trade and other payables approximates to their fair values. Trade payables are mainly due to the parent undertaking, Sky Television Limited, and are repayable on demand and bear no interest.

During the year the Company transferred its receivable of £950,000 from BSkyB Finance (Luxembourg Sarl) as full settlement of its payable to BSkyB Limited.

8. Financial risk management objectives and policies

The Company's principal financial instruments comprise trade receivables and trade payables.

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

	Loans and receivables	Other liabilities	Total carrying value	Total fair values
	£'000	£'000	£'000	£'000
At 30 June 2009				
Trade and other payables	-	681	681	681
Trade and other receivables	1,626	-	1,626	1,626
Cash	532	-	532	532
At 30 June 2008				
Trade and other payables	-	1,416	1,416	1,416
Trade and other receivables	2,494	-	2,494	2,494
Cash	221	-	221	221

The Directors consider that the carrying amount of trade and other receivables at 30 June 2009 and 30 June 2008 approximates to their fair value.

The following tables 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. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 12 months	Between one and two years	Between two and five years	More than 5 years
	£'000	£'000	£'000	£'000
At 30 June 2009				
Trade and other payables	681	-	-	-
At 30 June 2008				
Trade and other payables	1,416	-	-	-

Notes to the financial statements

8. Financial risk management objectives and policies (continued)

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 British Sky Broadcasting Group plc's policies approved by its Board of Directors.

9. Share capital

	2009	2008
	£	£
Authorised, allotted, called-up and fully paid		
100 ordinary shares of £1 each	**100**	100

10. Notes to the Cash Flow Statement

	2009	2008
	£'000	£'000
Profit before taxation	**178**	241
Decrease (increase) in trade and other receivables	**868**	(1,044)
(Decrease) increase in trade and other payables	**(735)**	-
Cash generated (used) from operations	**311**	(803)

11. Related party transactions

For details of amounts owed by and to the parent and other group companies, see notes 6 and 7.

The Group's treasury function is responsible for liquidity management across the Group's operations. It is standard practice for the Company to lend and borrow cash to and from subsidiaries as required.

12. Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of British Sky Broadcasting plc, a company incorporated in Great Britain and registered in England and Wales. The Company is ultimately controlled by British Sky Broadcasting plc. The only group in which the results of the Company are consolidated is that headed by BSkyB.

The consolidated accounts of the Group are available to the public and may be obtained from the Company Secretary, British Sky Broadcasting Group plc, Grant Way, Isleworth, Middlesex TW7 5QD.