S.A.T.V. PUBLISHING LIMITED

Annual report and financial statements
For the year ended 30 June 2016

Registered number 01085975

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COMPANIES HOUSE

Directors and Officers
For the year ended 30 June 2016

Directors

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

C R Jones
C J Taylor
K Holmes (appointed 21 October 2016)

Secretary

C J Taylor

Registered office

Grant Way
Isleworth
Middlesex
TW7 5QD

Strategic and Directors' Report

Strategic Report

The Directors present their Strategic and Directors' Report on the affairs of the Company, together with the financial statements for the year ended 30 June 2016

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

Business review and principal activities

The Company is a wholly-owned subsidiary of Sky Television Limited (the immediate parent company) The ultimate parent company is Sky plc ("Sky") and operates together with Sky's other subsidiaries, as part of the Sky Group ("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 expect this activity to continue for the foreseeable future

The financial statements for the year ended 30 June 2016 are set out on pages 6 to 17 The profit for the year was £2,058,000 (2015 £2,578,000) The Balance Sheet shows that the Company's shareholder's equity position at the end of the year was £10,016,000 (2015 £7,958,000) The Directors do not recommend the payment of a dividend (2015 £nil)

Key performance indicators (KPIs)

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

Principal risks and uncertainties

The Company's activities expose it to financial risks, namely credit risk and liquidity risk

The Directors do not believe the Company is exposed to significant cash flow risk, price risk, interest rate risk or foreign exchange risk

Financial risk management objectives and policies

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

Credit risk

The Company's principal receivables are intercompany balances The Company's credit risk is primarily attributable to these balances The intercompany balances of the Company are detailed in notes 6 and 7

Strategic and Directors' Report (continued)

Liquidity risk

The Company relies on the Group Treasury function to manage its liquidity and ensure that sufficient funds are available for ongoing operations and future developments The Group currently has access to an undrawn £1 billion revolving credit facility which is due to expire on 30 November 2021 The Company benefits from this liquidity through intra-group facilities and loans

By Order of the Board,

C. Taylor

CJ Taylor
Director

Grant Way
Isleworth
Middlesex
TW7 5QD

20th December 2016

Strategic and Directors' Report (continued)

Directors' Report

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

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

Going concern

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

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

By Order of the Board,

C. Taylor

CJ Taylor
Director

Grant Way
Isleworth
Middlesex
TW7 5QD

20th December 2016

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 Company'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

Statement of Comprehensive Income

For the year ended 30 June 2016

	Notes	**2016**	2015
		£'000	£'000
Revenue	2	**2,985**	2,803
Operating expense	3	**(413)**	(225)
Operating profit before tax	4	**2,572**	2,578
Tax	5	**(514)**	-
Profit for the year attributable to equity shareholders		**2,058**	2,578

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

For the years ended 30 June 2016 and 30 June 2015, the Company did not have any other items of Comprehensive Income

All results relate to continuing operations

Balance Sheet

As at 30 June 2016

	Notes	2016 £'000	2015 £'000
Current assets			
Trade and other receivables	6	**10,386**	8,461
Cash and cash equivalents		**923**	211
Total assets		**11,309**	8,672
Current liabilities			
Trade and other payables	7	**1,292**	714
Total liabilities		**1,292**	714
Share capital	10	**-**	-
Reserves		**10,016**	7,958
Total equity attributable to equity shareholders		**10,016**	7,958
Total liabilities and shareholders' equity		**11,309**	8,672

The accompanying notes are an integral part of this Balance Sheet

For the year ended 30 June 2016 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements of S A T V Publishing Limited, registered number 01085975, have been approved by the Board of Directors on 20th December 2016 and were signed on its behalf by

K Holmes
Director
20th December 2016

Cash Flow Statement

For the year ended 30 June 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities			
Cash generated / (used) in operations	11	**712**	(4,440)
Net cash generated / (used) in operating activities		**712**	(4,440)
Net increase / (decrease) in cash and cash equivalents		**712**	(4,440)
Cash and cash equivalents at the beginning of the year		**211**	4,651
Cash and cash equivalents at the end of the year		**923**	211

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

All results relate to continuing operations

Statement of Changes in Equity

For the year ended 30 June 2016

	Share capital £'000	Retained earnings £'000	Total shareholders' equity £'000
At 1 July 2014	**-**	**5,380**	**5,380**
Profit for the year	-	2,578	2,578
At 30 June 2015	**-**	**7,958**	**7,958**
Profit for the year	-	2,058	2,058
At 30 June 2016	**-**	**10,016**	**10,016**

Notes to the financial statements

1. Accounting policies

S.A.T.V. Publishing Limited (the "Company") is a limited liability company incorporated in the United Kingdom, and registered in England and Wales

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and the Companies Act 2006 In addition, the Company also complied with IFRS as issued by the International Accounting Standards Board ("IASB")

b) Basis of preparation

The financial statements have been prepared on a going concern basis (as set out in the Director's Report) 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 adopted the new accounting pronouncements which became effective this period, none of which had a significant impact on the Company's results or financial position

The Company maintains a 52 or 53 week fiscal year ending on the Sunday nearest to 30 June in each year In fiscal year 2016, this date was 3 July 2016 this being a 53 week year (fiscal year 2015 28 June 2015, 52 week year) For convenience purposes, the Company continues to date its financial statements as at 30 June 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

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, cancelled or expires

i Trade and other receivables

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

1. Accounting policies (continued)

c) Financial assets and liabilities (continued)

ii Cash and cash equivalents

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

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 Revenue from the collection of royalties is recognised when it can be reliably estimated and collectability is reasonably assured

e) Tax, including deferred tax

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 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 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 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

1 Accounting policies (continued)

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

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after 1 July 2016 These new pronouncements are listed below The Directors are currently evaluating the impact of the adoption of these standards, amendments and interpretations in future periods

- Amendments to IFRS 11 'Accounting for Acquisitions of Interests in Joint Operations' (effective 1 January 2016)
- Amendments to IAS 1 'Disclosure Initiative' (effective 1 January 2016)
- Amendments to IAS 16 and IAS 28 'Clarification of Acceptable Methods of Depreciation and Amortisation' (effective 1 January 2016)
- Annual Improvements 2012-214 cycle (effective 1 July 2016)
- Amendments to IFRS 10,12 and IAS 28 'Investment Entities Applying the Consolidation Exception' (effective 1 January 2016)*
- Amendments to IAS 7 'Disclosure Initiative' (effective 1 January 2017)*
- Amendments to IAS 12 'Recognition of Deferred Tax Assets for Unrealised Losses' (effective 1 January 2017)*
- IFRS 15 'Revenue from Contracts with Customers' (effective 1 January 2018)*

  IFRS 15 requires the identification of deliverables in contracts with customers that qualify as 'performance obligations' The transaction price receivable from customers must be allocated between the Group's performance obligations under contracts on a relative stand-alone selling price basis

  Where goods or services sold as part of a bundle are concluded to be 'distinct' performance obligations, revenue allocated to such goods is recognised when control of the goods passes to the customer or as the service is delivered

  IFRS 15 requires that certain costs incurred in obtaining and fulfilling customer contracts be deferred on the balance sheet and amortised as revenue is recognised under the related contract

- Clarifications to IFRS 15 'Revenue from Contracts with Customers' (effective 1 January 2018)*
- Amendments to IFRS 2 'Share-based Payments' (effective 1 January 2018)*
- IFRS 9 'Financial Instruments' (effective 1 January 2018)*

  The standard is expected to impact the classification and measurement of financial instruments and is expected to require certain additional disclosures

- IFRS 16 'Leases' (effective 1 January 2019)*

  IFRS 16 replaces IAS 17 'Leases' and will primarily change lease accounting for lessees, lessor accounting under IFRS 16 is expected to be similar to lease accounting under IAS 17

  Where a contract meets IFRS 16's definition of a lease and where the company acts as a lessee, lease agreements will give rise to the recognition of a non-current asset representing the right to use the leased item and a loan obligation for future lease payables Lease costs will be recognised in the form of depreciation of the right to use asset and interest on the lease liability

  * not yet endorsed for use in the EU

Notes to the financial statements

g) Critical accounting policies and the use of judgement

Certain accounting policies are considered to be critical to the Company An accounting policy is considered to be critical if its selection or application materially affects the Company's financial position or results The Directors are required to use their judgement in order to select and apply the Company's critical accounting policies Below is a summary of the Company's critical accounting policies and details of the key areas of judgement that are exercised in their application

(i) Revenue

Selecting the appropriate timing for, and amount of, revenue to be recognised requires judgement Revenue from the collection of royalties is recognised when it can be reliably estimated and collectability is reasonably assured

(ii) Tax (see Note 5)

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

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

3. Operating expense

	2016	2015
	£'000	£'000
Royalty expenses (licence fee)	**413**	225

4. Profit before tax

There were no employee costs during the year (2015 £nil) as the Company had no employees (2015 none) Services are provided by employees of other companies within the Group with no charge being made for their services The Directors did not receive any remuneration during the year in respect of their services to the Company (2015 £nil)

Audit fees

For the year ended 30 June 2016 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Notes to the financial statements

5. Tax

a) Tax recognised in the Statement of Comprehensive Income

	2016	2015
	£'000	£'000
Current tax expense		
Current year	**514**	-
Adjustment in respect of prior years	**-**	-
Total current tax charge	**514**	-
Tax	**514**	-

b) Reconciliation of effective tax rate

The tax expense for the year is equal to (2015 lower than) the blended rate of corporation tax in the UK of 20 00% (2015 20 75%) applied to profit before tax The differences are explained below

	2016	2015
	£'000	£'000
Profit before tax	**2,572**	2,578
Profit before tax multiplied by blended rate of corporation tax in the UK of 20 00% (2015 20 75%)	**514**	535
Effects of		
Group relief claimed for £nil consideration	**-**	(535)
Tax	**514**	-

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

Notes to the financial statements

6 Trade and other receivables

	2016	2015
	£'000	£'000
Amounts receivable from the ultimate parent company [a]	**137**	137
Amounts receivable from other Group companies [b]	**10,249**	8,324
	10,386	8,461

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

a) Amounts receivable from the ultimate parent company

Amounts due from the ultimate parent company totalling £137,000 (2015 £137,000) represent trade receivables, they are non-interest bearing and are repayable on demand

b) Amounts receivable from other Group companies

Amounts due from other Group companies totalling £10,249,000 (2015 £8,324,000) represent trade receivables, they are non-interest bearing and are repayable on demand

7. Trade and other payables

	2016	2015
	£'000	£'000
Amounts payable to the immediate parent company [a]	**534**	543
Amounts payable to other Group companies [b]	**516**	3
VAT	**242**	168
	1,292	714

The Directors consider that the carrying amount of trade and other payables approximates their fair values

a) Amounts payable to the immediate parent company

Amounts payable to the immediate parent company totalling £534,000 (2015 £543,000) represent trade payables to the immediate parent company that are non-interest bearing and are repayable on demand

b) Amounts payable to other Group companies

Amounts payable to other Group companies totalling £516,000 (2015 £3,000) represent trade payables that are non-interest bearing and are repayable on demand

Notes to the financial statements

8. Financial Instruments

Carrying value and fair value

The Company's principal financial instruments comprise trade receivables, trade payables, and cash and cash equivalents

The accounting classification of each class of the Company's financial assets and financial liabilities is as follows

	Loans and receivables £'000	Other liabilities £'000	Total carrying value £'000	Total fair values £'000
At 30 June 2016				
Trade and other payables	**-**	**(1,050)**	**(1,050)**	**(1,050)**
Trade and other receivables	**10,386**	**-**	**10,386**	**10,386**
Cash and cash equivalents	**923**	**-**	**923**	**923**
At 30 June 2015				
Trade and other payables	-	(546)	(546)	(546)
Trade and other receivables	8,461	-	8,461	8,461
Cash and cash equivalents	211	-	211	211

The fair value of these financial assets and financial liabilities 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

9. Financial risk management objectives and policies

The Group's Treasury function is responsible for raising finance for the Company's operations, together with associated liquidity management and management of foreign exchange, interest rate and credit risks Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by both the 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

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 Sky plc's policies approved by its Board of Directors

Credit risk

The Company is exposed to default risk amounting to cash and cash equivalents of £923,000 (2015 £211,000) The Company's maximum exposure to credit risk on trade receivables is the carrying amounts disclosed in note 6

Notes to the financial statements

9 Financial risk management objectives and policies (continued)

Liquidity risk

The Company's financial liabilities are shown in note 7

The Company's financial liabilities consist of trade and other payables of £1,050,000 (2015 £546,000), all of which are payable on demand

10. Share capital

	2016	2015
	£	£
Allotted, called-up and fully paid		
100 (2015 100) ordinary shares of £1 each	**100**	100

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

11. Notes to the Cash Flow Statement

Reconciliation of profit before tax to cash generated from operations

	2016	2015
	£'000	£'000
Profit before tax	**2,572**	2,578
Increase in trade and other receivables	**(1,925)**	(7,059)
Increase in trade and other payables	**65**	41
Cash generated from operations	**712**	(4,440)

12. Transactions with related parties and major shareholders of Sky plc

For details of amounts owed by and owed to other Group companies, see note 6 and note 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 other group companies as required

13. Ultimate parent undertaking

The Company is a wholly-owned subsidiary of Sky Television Limited, a Company incorporated in the United Kingdom and registered in England and Wales The Company is ultimately controlled by Sky The only group in which the results of the Company are consolidated is that headed by Sky

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