

ARTHUR
ANDERSEN

ARTHUR ANDERSEN & CO, SC

S.A.T.V. Publishing Limited

Accounts for the year ended 30 June 1995
together with the directors' and auditors' reports

Registered number: 1085975

PRK



Directors' report

For the year ended 30 June 1995

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 30 June 1995.

Principal activity

The principal activity of the company continues to be the collection of royalties on music copyrights.

Results and dividends

	1995 £	1994 £
Retained profit at beginning of year	218,787	175,965
Retained profit for the year	70,920	42,822
Retained profit at end of year	<u>289,707</u>	<u>218,787</u>

The directors do not recommend the payment of a dividend (1994 - £nil).

Directors and their interests

The present directors of the company and others who served during the year are as follows:

R.J. Brooke
N.J. Carrington (appointed 31 July 1995)
D.C. Chance (appointed 2 February 1995)
S.H. Chisholm (appointed 2 February 1995)
C.K. Mackenzie

R.J. Brooke, D.C. Chance and S.H. Chisholm are also directors of British Sky Broadcasting Group plc ("BSkyB"). Other than as disclosed in the 1995 Annual Report of BSkyB none of the directors had any interests in the shares of the company or of any other company within the BSkyB group ("Group") during the year.

Liability insurance for company officers

As permitted by the Companies Act 1985 (as amended) the group has maintained insurance cover for directors and officers against liabilities in relation to the group's activities.

Directors' report

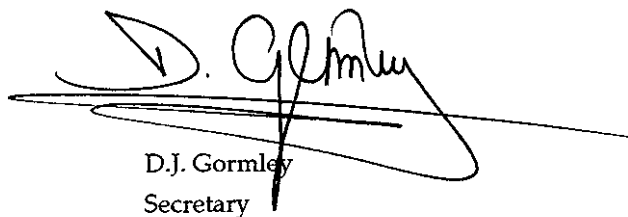
For the year ended 30 June 1995

Auditors

The company passed an Elective Resolution on 25 March 1994 to dispense with the annual reappointment of the auditors.

6 Centaurs Business Park
Grant Way
Isleworth
Middlesex
TW7 5QD

By order of the Board,



D.J. Gormley
Secretary

24 April 1996

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the year. In preparing the accounts, the directors are required:

- to select suitable accounting policies and then apply them consistently;
- to make judgements and estimates that are reasonable and prudent;
- to state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- to 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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 confirm that these accounts comply with these requirements.

Auditors' responsibilities

Company law requires the auditors to form an independent opinion on the accounts presented by the directors based on their audit and to report their opinion to the shareholders. The Companies Act 1985 also requires auditors to report to the shareholders if the following requirements are not met:

- that the company has maintained proper accounting records and that proper returns adequate for the audit have been received from branches not visited by them;
- that the accounts are in agreement with the accounting records and returns;
- that directors' emoluments and other transactions with directors are properly disclosed in the accounts; and
- that the auditors have obtained all the information and explanations which, to the best of their knowledge and belief, are necessary for the purposes of their audit.

Additionally, the Companies Act 1985 requires the auditors to report to the shareholders if the matters contained in the report of the directors are inconsistent with the accounts.

Auditors' report

London

To the Members of S.A.T.V. Publishing Limited:

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts and it is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the company's state of affairs as at 30 June 1995 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen
Chartered Accountants and Registered Auditors

1 Surrey Street
London
WC2R 2PS

24 April 1996

Profit and loss account

For the year ended 30 June 1995

	Notes	1995 £	1994 £
Turnover	2	70,940	53,007
Operating expenses	3	(20)	(10,185)
Profit on ordinary activities before taxation	4	70,920	42,822
Taxation	5	-	-
Retained profit for the year	10	70,920	42,822

Details of movements in reserves are shown in note 10.

The accompanying notes are an integral part of this profit and loss account.

Statement of total recognised gains and losses

For the year ended 30 June 1995

There were no recognised gains or losses other than those included within the profit and loss account.

Balance sheet

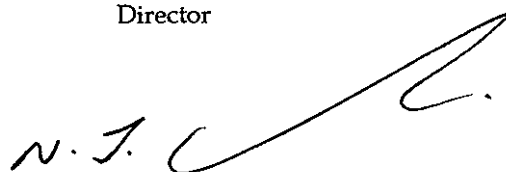
30 June 1995

	Notes	1995 £	1994 £
Current assets			
Debtors	6	143,229	144,887
Cash at bank and in hand	7	154,680	82,202
		<u>297,909</u>	<u>227,089</u>
Creditors: Amounts falling due within one year	8	<u>(8,102)</u>	<u>(8,202)</u>
Net assets		<u>289,807</u>	<u>218,887</u>
Capital and reserves			
Called-up share capital	9	100	100
Profit and loss account	10	<u>289,707</u>	<u>218,787</u>
Shareholders' funds	10	<u>289,807</u>	<u>218,887</u>

Signed on behalf of the Board

N.J. Carrington

Director



24 April 1996

The accompanying notes are an integral part of this balance sheet.

Notes to accounts

30 June 1995

1 Accounting policies

The principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, are set out below.

a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable financial reporting and accounting standards.

Under the provisions of Financial Reporting Standard Number 1, the company has not presented a cash flow statement because its ultimate parent company, BSkyB, has prepared consolidated accounts which include the results of the company for the year and for the preceding year and which contain a cash flow statement.

2 Turnover

Turnover comprises the value of royalties collected in the normal course of business. Royalties are recognised when they are received.

3 Operating expenses

Operating expenses represent expenses incurred collecting royalties, together with any amounts due to third parties in respect of those royalties.

4 Profit on ordinary activities before taxation

Auditors' remuneration is borne by the ultimate parent company.

The directors did not receive any remuneration during the year or the preceding year for their services as directors of the company.

There are no staff costs as the company has no employees. Services are provided by employees of other companies within the British Sky Broadcasting group, with no charge being made for their services.

5 Taxation

Corporation tax payable is provided on taxable profits at the current rate.

No provision is made in the current year because tax losses will be surrendered by fellow group undertakings for no consideration.

Notes to accounts (continued)

6 Debtors

The following amounts are included in debtors, all amounts falling due within one year:

	1995 £	1994 £
Amounts owed by parent company	136,685	144,887
Other debtors	6,544	-
	<u>143,229</u>	<u>144,887</u>

No interest is receivable on amounts owed by the parent company.

7 Cash at bank and in hand

In accordance with the terms of the group's arrangements with Midland Bank, this cash at bank balance is set off against borrowings elsewhere within the group. No interest is receivable from other group undertakings in respect of these arrangements.

8 Creditors: Amounts falling due within one year

The following amounts are included in creditors falling due within one year:

	1995 £	1994 £
Amounts owed to group companies	8,102	-
Accruals	-	8,202
	<u>8,102</u>	<u>8,202</u>

No interest is payable on amounts owed to group companies.

9 Called-up share capital

	1995 £	1994 £
<i>Authorised</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Alloted, called-up and fully-paid</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

Notes to accounts (continued)

10 Reconciliation of movement on shareholders' funds

	Share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 30 June 1993	100	175,965	176,065
Profit for year	-	42,822	42,822
Balance at 30 June 1994	100	218,787	218,887
Profit for the year	-	70,920	70,920
Balance at 30 June 1995	100	289,707	289,807

11 Ultimate parent company

The company is a wholly owned subsidiary undertaking of Sky Television Limited, a company registered in England and Wales.

The only group in which the results of the company are consolidated is that headed by BSkyB, registered in England and Wales, whose principal place of business is at 6 Centaurs Business Park, Grant Way, Isleworth, Middlesex TW7 5QD. The consolidated accounts of this group are available to the public and may be obtained from this address.