Sky Television Limited

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

Registered number: 1518707

Directors and Officers

For the year ended 30 June 2009

Directors

Sky Television 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
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 to act as an intermediate holding company on behalf of BSkyB. It holds a number of investments. On 30 August 2007 the Company sold its short term lease for various units of property to BSkyB. From this date, Sky Television Limited no longer received rental income from the operating leases. The proceeds on disposal were the book amount and no profit or loss on disposal arose.

The audited accounts for the year ended 30 June 2009 are set out on pages 6 to 16. The loss for the year before taxation was £691,000 (2008: loss £15,071,000). The Directors do not recommend the payment of a dividend for the year ended 30 June 2009 (2008: nil). The balance sheet shows that the Company's shareholders' equity position at the year end was £101,369,000 (2008: £104,418,000).

Principal risks and uncertainties

The balance sheet of the Company includes intercompany balances and the Company is therefore exposed to credit risk on these balances. The intercompany balances of the Company are detailed in notes 8, 9 and 10.

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 £1,000 million revolving credit facility and will, on expiration of that facility, have access to a forward start revolving credit facility of £750 million which is available for drawing from 30 July 2010. The Company benefits from this liquidity through intra-group facilities and loans.

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

Directors

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

Going concern basis

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.

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.

Auditors' report

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKY TELEVISION LIMITED

We have audited the financial statements of Sky Television Limited for the year ended 30 June 2009 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, and the related notes 1 to 14. 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 loss 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 Company 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. M. Powell

Timothy Powell (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
13 November 2009

Income Statement

For the year ended 30 June 2009

	Notes	2009 £'000	2008 £'000
Revenue	2	-	219
Operating expense	3	-	(190)
Operating profit		-	29
Investment income	4	**27,508**	55,463
Finance costs	4	**(28,199)**	(55,566)
Loss before tax	5	**(691)**	(74)
Taxation	6	**(2,358)**	(14,997)
Loss for the year attributable to equity shareholders		**(3,049)**	(15,071)

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	Share premium £'000	Other reserve £'000	Retained earnings £'000	Total shareholders' equity £'000
At 1 July 2007	13,377	114,012	909,864	(917,764)	119,489
Loss for the year attributable to equity shareholders	-	-	-	(15,071)	(15,071)
At 30 June 2008	13,377	114,012	909,864	(932,835)	104,418
Loss for the year attributable to equity shareholders	-	-	-	**(3,049)**	**(3,049)**
At 30 June 2009	**13,377**	**114,012**	**909,864**	**(935,884)**	**101,369**

Balance Sheet

For the year ended 30 June 2009

	Notes	2009 £'000	2008 £'000
Non-current assets			
Fixed asset investments	7	**143**	143
Current assets			
Trade and other receivables	8	**965,523**	938,033
Total assets		**965,666**	938,176
Current liabilities			
Trade and other payables	9	**510,786**	480,247
Non current liabilities			
Trade and other payables	10	**353,511**	353,511
Total liabilities		**864,297**	833,758
Share capital	12	**13,377**	13,377
Share premium		**114,012**	114,012
Reserves		**(26,020)**	(22,971)
Equity attributable to equity shareholders		**101,369**	104,418
Total liabilities and shareholders' equity		**965,666**	938,176

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

As at 30 June 2009 and 30 June 2008 the Company did not hold any cash or cash equivalents. Accordingly, a cash flow statement has not been presented.

The financial statements of Sky Television Limited, registered number 1518707, 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

Notes to the financial statements

1. Accounting policies

Sky Television Limited (the "Company") is a limited liability company registered 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 set out 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 financial statements as of 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 14).

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. 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 (continued)

1. Accounting policies (continued)

d) Impairment

At each balance sheet date, and in accordance with IAS 36 "Impairment of Assets", the Company reviews the carrying amounts of all its assets excluding inventories, non-current assets classified as held for sale, financial assets and deferred taxation 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 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.

An impairment loss for an individual asset 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.

e) Revenue

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.

f) 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.

Notes to the financial statements (continued)

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) Taxation (see note 6)

– Tax laws that apply to the Group's businesses may be amended by the relevant authorities, for example as a result of changes in fiscal circumstances or priorities. Such potential amendments and their application to the Group are regularly monitored and the requirement for recognition of any liabilities assessed where necessary.

(ii) Receivables (see note 8)

– Judgement is required in evaluating the likelihood of collection of debt. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles.

g) 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 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 (continued)

2. Revenue

	2009	2008
	£'000	£'000
Rental income	-	219

During the prior year the Company leased various units of property.

On the 30 August 2007 the Company sold its short term lease for various units of property to BSkyB. From this date, Sky Television Limited no longer received rental income from the operating leases. The proceeds on disposal were the book amount and no profit or loss on disposal arose.

All revenue arose within the United Kingdom.

3. Operating expenses

	2009	2008
	£'000	£'000
Lease expense	-	190

4. Investment income and finance costs

	2009	2008
	£'000	£'000
Investment income		
Intercompany interest receivable (see note 8)	**27,508**	55,463

	2009	2008
	£'000	£'000
Finance costs		
Intercompany interest payable (see note 9)	**(28,199)**	(55,566)

5. Loss before taxation

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

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.

6. Taxation

a) Taxation recognised in the income statement

	2009 £'000	2008 £'000
Current tax expense		
Current year	-	14,997
Adjustment in respect of prior years	**2,358**	-
Total current tax	**2,358**	14,997
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Decrease/(Increase) in estimate of recoverable deferred tax asset	-	-
Total deferred tax	-	-
Taxation	**2,358**	14,997

b) Reconciliation of total tax charge

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

	2009 £'000	2008 £'000
Loss before tax	**(691)**	(74)
Loss before tax multiplied by standard rate of corporation tax in the UK of 28% (2008: 29.5%)	**(193)**	(22)
Effects of:		
Non qualifying amortisation of lease premium	-	56
Deduction in respect of deemed lease payment	-	(46)
Imputed interest	-	17,620
Group relief surrendered/(claimed) for nil consideration	**193**	(2,611)
Adjustment in respect of prior years	**2,358**	-
Taxation	**2,358**	14,997

The adjustment in respect of prior years results from a reduction in group relief surrendered by other group companies.

Notes to the financial statements (continued)

7. Investments in subsidiaries

Non-current loans and subscription for shares in other group companies

The movement in the year was as follows:

	£'000
Cost	
At 30 June 2008	2,269
At 30 June 2009	**2,269**
Provision	
At 30 June 2008	2,126
At 30 June 2009	**2,126**
Net book value	
At 30 June 2008	143
At 30 June 2009	**143**

Fixed asset investments shown above represent the cost of the shares of the subsidiary undertakings, less provisions made for any impairment in value.

Details of the principal investments of the Company are as follows:

Name	Country of incorporation	Description and proportion of shares held (%)	Principal activity
Subsidiaries:			
S.A.T.V. Publishing Limited	England and Wales	100 Ordinary Shares of £1 each (100%)	The collection of royalties on music copyrights.
Sky Channel SA	Belgium	1,249 Ordinary Shares of €49.6 each (99.92%)	The operation of a Belgian news bureau.
Joint Ventures and Associates :			
BSkyB Investments (Guernsey) LLP	Guernsey	100,000 Ordinary Shares of £1 (0.03%)	Investment Company

The company had investments in several Guernsey companies, Ciel Bleu, Clair, Gris, Nuageux, Orageux and Voile Limited, all of which went into liquidation in the year.

8. Trade and other receivables

	2009 £'000	2008 £'000
Amounts receivable from the parent company	**269,231**	269,175
Amounts receivable from other Group companies	**695,767**	668,259
Amounts receivable from subsidiaries	**525**	599
	965,523	938,033

Amounts owed by ultimate parent and fellow subsidiary undertakings are non-interest bearing and repayable on demand. No allowances have been recorded against amounts receivable from group companies as they have been assessed to be fully recoverable.

Notes to the financial statements (continued)

8. Trade and other receivables (continued)

On 12 February 2002, the Company made a loan of £576,290,000 to BSkyB Finance Limited under the terms of an interest-bearing loan note. The loan note bears interest at base rate plus a margin of 1.5% and is repayable on demand. At 30 June 2008 as part settlement of this receivable BSkyB Finance Limited transferred £269,094,000 of its receivable from BSkyB plc and £121,571,000 of its receivable from British Interactive Broadcasting Holdings Limited to the Company as part settlement of its payable to the Company. The total receivable including interest after the transfer of these receivables from BSkyB Finance Limited was at 30 June 2009 £470,702,000 (2008: £452,057,000).

On 29 June 2008, the Company made a loan of £94,631,000 to BSkyB Finance Limited. The loan bears interest at a rate of one month LIBOR plus 0.75% and is repayable on demand. At 30 June 2009, the total receivable from BSkyB Finance Limited was £98,480,000 (2008: £94,631,000).

On 29 June 2008, the Company made a loan of £121,571,000 to British Interactive Broadcasting Holdings Limited. The loan bears interest at base rate plus a margin of 1.5% and is repayable on demand. At 30 June 2009, the total receivable from British Interactive Broadcasting Holdings Limited was £126,585,000 (2008: £121,571,000).

No allowances have been recorded against amounts receivable from Group companies as they have been assessed to be fully recoverable.

9. Trade and other payables

	2009	2008
	£'000	£'000
Amounts payable to other Group companies	**510,786**	480,247

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

Included within amounts payable to other Group companies is the accrued interest on the debenture issued to BSkyB Finance Limited (refer to note 10) amounting to £358,379,000 (2008: £330,180,000). Interest is charged at a rate of 1.5% above the HSBC base interest rate, and compounds semi-annually. As the interest is repayable on demand the accrued interest has been classified within current liabilities.

All other amounts payable to other Group companies are non-interest bearing and repayable on demand.

10. Non-current other payables

	2009	2008
	£'000	£'000
Non-current other payables		
Amounts payable to other Group companies	**353,511**	353,511

Amounts due to the other Group companies as at 30 June 2009, comprise a debenture issued to BSkyB Finance Limited of £353,511,000 (2008: £353,511,000). Interest is charged at a rate of 1.5% above the HSBC base interest rate, compounds semi-annually and is repayable on demand. The debenture is not repayable until 31 October 2080, except at the option of BSkyB Finance Limited.

Notes to the financial statements (continued)

11. Financial risk management objectives and policies

The Company's principal financial instruments comprise trade receivables and trade payables. The Company has financial assets in the form of trade receivables.

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 £'000	Other liabilities £'000	Total carrying value £'000	Total fair values £'000
At 30 June 2008				
Trade and other payables	-	(833,758)	(833,758)	(833,758)
Trade and other receivables	938,033	-	938,033	938,033
At 30 June 2009				
Trade and other payables	-	(510,786)	(510,786)	(510,786)
Trade and other receivables	965,523	-	965,523	965,523

The Directors' deem the carrying value of financial assets and liabilities approximates fair values.

Liquidity risk

The Company's financial liabilities are shown in notes 9 and 10.

The following table analyses the Company's 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.

	Less than 12 months £'000	Between one and two years £'000	Between two and five years £'000	More than 5 years £'000
At 30 June 2008				
Trade and other payables	480,247	-	-	353,511
At 30 June 2009				
Trade and other payables	510,786	-	-	353,511

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.

Notes to the financial statements (continued)

12. Share capital

	2009	2008
	£'000	£'000
Authorised		
25,000,000 ordinary shares of £1 each	**25,000**	25,000
Allotted, called-up and fully paid		
13,376,982 ordinary shares of £1 each	**13,377**	13,377

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

13. Transactions with related parties

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.

For details of amounts owed by and owed to other Group companies, see notes 8, 9 and 10.

14. 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.