Sky Subscribers Services Limited

Annual Report and Accounts
for the year ended 30 June 2003

Registered number: 2340150

Directors and Officers
For the year ended 30 June 2003

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

A F E Ball
R Freudenstein
R Odendaal (resigned 18 June 2003)
M D Stewart
D G Walters (resigned 21 March 2003)

Secretary
D J Gormley

Registered office
Grant Way
Isleworth
Middlesex
TW7 5QD

Auditors
Deloitte & Touche LLP
London

Directors' report

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 2003.

Principal activity and future developments

The principal activity of the Company during the year was the provision of support services (including conditional access and subscriber management) and acting as an agent for the direct-to-home pay TV business of its parent undertaking, British Sky Broadcasting Limited ("BSkyB Limited"). The Company also provides similar services to a fellow subsidiary undertaking and to third party broadcasters. The Directors expect these activities to continue for the foreseeable future.

Results for the year

The audited accounts for the year ended 30 June 2003 are set out on pages 9 to 20. The loss after taxation for the financial year was £8,538,000 (2002: loss of £6,218,000). The Directors do not recommend the payment of a dividend for the year ended 30 June 2003 (2002: nil).

Directors and their interests

The Directors who served during the year are shown on page 1. The Directors who held office at 30 June 2003 had the following interests in the shares of British Sky Broadcasting Group plc ("BSkyB") and its subsidiaries (the "Group"):

Options and awards over shares in BSkyB

	At 30 June 2002	Granted during the year	Exercised during the year	Lapsed during the year	At 30 June 2003	Exercise price	Market price at date of exercise	Date from which exercisable	Expiry date
R Freudenstein	997 (a)	-	-	-	997	£9.71	N/A	01.01.2004	30.06.2004
	203,602 (b)	-	-	-	203,602	£6.385	N/A	29.10.2002	29.10.2009
	170,250 (c)	-	(150,000)	(20,250)	-	£10.04	£6.93	N/A	N/A
	170,250 (c)	-	-	-	170,250	£10.04	N/A	30.06.2003	03.11.2010
	170,250 (c)	-	-	-	170,250	£8.30	N/A	30.06.2003	21.11.2011
	170,250 (c)	-	-	-	170,250	£8.30	N/A	30.06.2004	21.11.2011
	-	85,167 (c)	-	-	85,167	£5.55	N/A	31.07.2004	31.07.2012
	-	85,166 (c)	-	-	85,166	£5.55	N/A	31.07.2005	31.07.2012
	-	4,300 (c)	-	-	4,300	£5.60	N/A	31.07.2004	31.07.2012
	-	4,300 (c)	-	-	4,300	£5.60	N/A	31.07.2005	31.07.2012
	-	19,500 (d)	-	-	19,500	N/A	N/A	31.07.2004	31.07.2012
	-	19,500 (d)	-	-	19,500	N/A	N/A	31.07.2005	31.07.2012

(a) Options granted under the BSkyB Sharesave Scheme

(b) Options granted under the Unapproved Executive Share Option Scheme

(c) Options granted under the BSkyB Long Term Incentive Plan ("LTIP")

(d) Awards granted under the BSkyB Equity Bonus Plan ("EBP")

A F E Ball and M D Stewart are also Directors of the Company's ultimate parent undertaking, BSkyB. The interests of these Directors in the share capital of BSkyB are disclosed in the Report on Directors Remuneration in BSkyB's 2003 Annual Report and Accounts, which are publicly available (see note 18).

Details of the Approved and Unapproved Executive Share Option Schemes, the Sharesave Scheme and the LTIP are also given in BSkyB's 2003 Annual Report and Accounts.

Awards under the EBP take the form of a contingent right to acquire existing BSkyB shares at the vesting date for nil consideration.

Except as disclosed in this report and in BSkyB's 2003 Annual Report and Accounts, no other Director held any interest in the share capital, including options, of the Company or any subsidiary of the Company, during the year.

As at 30 June 2003, the BSkyB Executive Share Option Plan ("ESOP") was interested in 5.5 million BSkyB Ordinary Shares in which the Directors who are employees are deemed to be interested by virtue of section 324 of the Companies Act 1985.

During the year ended 30 June 2003 the BSkyB share price traded within the range of £4.58 to £7.06 per share. The middle-market closing price on the last working day of the financial year was £6.72.

Charitable and political contributions

In 2003, the Company in the UK donated a value of £276,000 (2002: nil) to charities, of which £112,000 was in the form of cash (2002: nil), and the remainder was in the form of services in kind. Political contributions of the Company in the UK during 2003 amounted to nil (2002: nil).

Supplier payment policy

The policy of the Company is to agree terms of payment with suppliers prior to entering into a contractual relationship. In the absence of a specific agreement it is the policy of the Company to pay suppliers on a monthly basis. The Company had 35 days purchases outstanding at 30 June 2003 (2002: 49 days), based on the total amount invoiced by trade suppliers during the year ended 30 June 2003. In respect of amounts both contractually due and invoiced, the outstanding number of days' purchases is below 30 days (2002: below 30 days).

Employment policies

The Company believes everyone should be given equal access to the same choices and opportunities in recruitment and employment, irrespective of their differences and needs.

The Company has a range of policies designed to ensure that it can meet this commitment. These include respect for family and religious needs and reasonable adjustment and communication support for disabled people. Applications are welcomed from a diverse talent pool and the recruitment process is accessible to disabled people. In addition the Company is working in partnership with Sabre employment (a specialist disability employment group) to ensure appropriate support for the continuing employment of disabled people. The Company is committed to promoting awareness of diversity through training and working practices.

The Company is a gold card member of the Employers' Forum on Disability and supports both the Broadcasting and Creative Industries Network and the Cultural Diversity Network.

Health and Safety

The health and safety of the Company's employees is a matter of major importance. Accordingly, it is the Company's policy to manage its activities so as to avoid causing any unnecessary or unacceptable risk to the health and safety of its employees.

The Company's goal is to work towards continuous improvement in the management of our health and safety risks. To this end, a review was undertaken in the first quarter of 2003 to ensure that the Company not only meets all applicable statutory requirements but also demonstrates its commitment to employee well-being. The measures required to resolve the action points highlighted in the review are currently underway.

Employee involvement and communication

It is the policy of the Company to develop employee involvement throughout the organisation and to ensure that employees are aware of the financial and economic factors affecting the Company. Communication meetings between management and employees' representatives are typically held on an informal basis where matters of specific interest are discussed. Consultation with employees occurs on a regular basis covering a broad range of areas such as pension provision and health and safety, and their views are taken into consideration when making decisions. The Company publishes two employee magazines covering a wide range of employee issues, runs a comprehensive intranet system and regularly hosts roadshows, conferences and forums for two-way communications. The Company's electronic mail system ensures that staff are kept updated on relevant information and initiatives.

Training and Development

Employees have the opportunity to participate in a range of training programmes in the fields of technology, the broadcast industry, professional skills and management and personal development. The Company is represented at Board level within the Broadcast Industry Sector Skills Council, Skillset, which promotes training and development opportunities across the industry.

Financial participation

The Group, in which the Company is a member, operates a Sharesave (discounted share purchase) scheme, a pension scheme through the BSkyB Pension Plan, and also a stakeholder pension scheme for the benefit of all eligible employees.

Environmental responsibility

The Company recognises the importance of environmental responsibility and the complete BSkyB Environmental Report can be found in the corporate section on the Company's website. This report does not form part of this Annual Report.

Directors' report (continued)

Auditors

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989.

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

Grant Way
Isleworth
Middlesex
TW7 5QD

By order of the Board,

D. J Gormley

D J Gormley
Company Secretary

10 October 2003

Directors' responsibilities

United Kingdom company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.

After making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records which 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 1985. They are also responsible for the system of internal control, 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 Subscribers Services Limited:

We have audited the financial statements of Sky Subscribers Services Limited for the year ended 30 June 2003 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. These accounts have been prepared under the accounting policies set out therein.

This Report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the Statement of Directors' Responsibilities, the Company's Directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Company, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 30 June 2003 and of the loss of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

10 October 2003

Profit and loss account
For the year ended 30 June 2003

	Notes	**2003 £000**	2002 £000
Turnover	2	**240,990**	219,033
Operating expenses, net	3	**(251,813)**	(226,527)
Loss on ordinary activities before interest and taxation		**(10,823)**	(7,494)
Interest payable and similar charges	4	**(1,006)**	(974)
Loss on ordinary activities before taxation	5	**(11,829)**	(8,468)
Tax credit on loss on ordinary activities	7	**3,291**	2,250
Retained loss for the financial year	15	**(8,538)**	(6,218)

Details of movements on reserves are shown in note 15.

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

All results relate to continuing activities.

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

Balance sheet
As at 30 June 2003

	Notes	2003 £000	2002 £000
Fixed assets			
Tangible assets	8	**132,990**	113,786
Current assets			
Stocks	9	**1,156**	603
Debtors: Amounts falling due within one year	10	**229,202**	167,400
Debtors: Amounts falling due after more than one year	10	**21,495**	20,450
		251,853	188,453
Creditors: Amounts falling due within one year	12	**(395,012)**	(303,468)
Net current liabilities		**(143,159)**	(115,015)
Total assets less current liabilities		**(10,169)**	(1,229)
Creditors: Amounts falling due after more than one year	13	**(10,231)**	(10,633)
Net liabilities		**(20,400)**	(11,862)
Capital and reserves – equity			
Called-up share capital	14	**-**	-
Profit and loss account	15	**(20,400)**	(11,862)
Total shareholder's deficit	15	**(20,400)**	(11,862)

Signed on behalf of the Board

M D Stewart
Director

10 October 2003

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

Notes to financial statements

1 Accounting policies

The principal accounting policies are summarised below. All of these have been applied consistently throughout the year and the preceding year.

a) Basis of accounting

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

The Company maintains a 52 or 53 week fiscal year ending on the Sunday nearest to 30 June in each year. In fiscal year 2003, this date was 29 June 2003, this being a 52 week year (2002: 30 June 2002, 52 week year).

The Company has taken advantage of the exemption from the requirement of FRS 1 (Revised) to present a cash flow statement, because it is ultimately a wholly-owned subsidiary of BSkyB which prepares consolidated accounts which are publicly available (see note 18).

b) Turnover

Turnover, which excludes value added tax, represents income from the provision of support services (including conditional access and subscriber management) to its parent undertaking, BSkyB Limited, to a fellow subsidiary undertaking and to third party broadcasters. Revenues are recognised, net of any discount given, when the relevant service has been provided.

c) Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and any provision for impairment. Land and assets in the course of construction are not depreciated. Depreciation is provided to write off the cost, less estimated residual value, of each asset on a straight-line basis over its estimated useful life. Principal annual rates used for this purpose are:

Freehold buildings	4%
Leasehold improvements	Lower of lease period or life of the asset
Equipment, fixtures and fittings:	
- Fixtures and fittings	10% - 20%
- Computer equipment	20% - 33 $^{1}/_{3}$%
- Technical equipment	10% - 20%
- Motor vehicles	25%

d) Taxation

Corporation tax payable is provided at current rates on all taxable profits. Losses are generally surrendered between companies in the Company for no consideration.

e) Stocks

Raw materials and consumables are valued at the lower of cost and net realisable value.

1 Accounting policies (continued)

f) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which carried forward tax losses can be offset and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

g) Leases

Assets held under finance leases are treated as tangible fixed assets. Depreciation is provided over the shorter of the lease term and the asset's useful economic life and the deemed capital element of future rentals is included within creditors. Deemed interest is charged as interest payable over the period of the lease.

h) Foreign currency

Trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates as of the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign exchange contract or other hedging instrument. Monetary assets, liabilities and commitments denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end or, if hedged, at the appropriate hedged rate.

i) Pension costs

The Company provides pensions to eligible employees through the BSkyB Pension Plan, which is a defined contribution plan. The amount charged to the profit and loss account represents the cost of contributions payable by the Company to the scheme in that year. The assets of the BSkyB Pension Plan are held independently of the Company and Group.

j) Government grants

Government grants relating to tangible fixed assets are reported as deferred income and amortised over the expected useful life of the asset concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

k) ESOP

Shares in BSkyB held by the ESOP are included in the balance sheet of BSkyB Limited as a fixed asset investment until such time as the interest in the shares is transferred unconditionally to the employees. Provision is made for any permanent diminution in the value of shares held by the ESOP.

Notes to financial statements (continued)

1 Accounting policies (continued)

A corresponding charge is made in the profit and loss account of the Company in relation to the shares held by the ESOP for awards under the LTIP, KCP and the EBP, based on an assessment of the probability of the performance criteria under the LTIP and KCP being met. The charge is allocated on a straight-line basis over the performance period of the LTIP and KCP.

2 Turnover

The Company provides support services (including conditional access and subscriber management) and acts as an agent for BSkyB's direct-to-home pay TV business. The Company makes a charge for the provision of these services based on the volume of calls made, the number of subscribers, the number of Pay Per View buys and other systematic bases. The Company also provides similar services to third party broadcasters.

All turnover arose within the United Kingdom, and is derived principally from the provision of these services.

3 Operating expenses, net

	2003	2002
	£000	£000
Support services	**232,576**	205,367
Administration	**19,237**	21,160
	251,813	226,527

Support services include subscriber management and conditional access.

4 Interest payable and similar charges

	2003	2002
	£000	£000
Finance lease interest	**984**	974
Other interest payable	**22**	-
	1,006	974

5 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging (crediting):

	2003	2002
	£000	£000
Depreciation		
- assets held under finance leases (see note 8)	**336**	334
- owned assets (see note 8)	**34,833**	20,301
Amortisation of government grants	**(73)**	(73)
Staff costs (see note 6)	**78,685**	75,806

5 Loss on ordinary activities before taxation (continued)

Amounts payable to the auditors for non-audit related services are analysed below:

	2003 £000	2002 £000
Customer relationship management centre development	**5,113**	4,789
Other services	**-**	73
Non-audit related services	**5,113**	4,862

Amounts paid to the auditors for audit and audit-related services were borne by another Group undertaking in both 2003 and 2002.

During the year, the auditors received £5.1 million (2002: £4.8 million) in respect of on-going contract centre development services.

In addition to the amounts disclosed above, the Company understands that during the previous year its auditors indirectly received £4.0 million from the Company through the performance of sub-contracted services for one of the Company's customer relationship centre consultants. The Company understands that no such payments were made during 2003.

6 Staff costs

a) Employee costs for permanent and temporary employees during the year amounted to:

	2003 £000	2002 £000
Wages and salaries	**72,700**	69,902
Costs of LTIP, KCP, EBP and other share-related bonus schemes	**58**	120
Social security costs	**4,276**	4,205
Other pension costs	**1,651**	1,579
	78,685	75,806

The Company operates a defined contribution pension scheme through the BSkyB Pension Plan. The pension charge for the year represents the cost of contributions payable by the Company to the Plan during the year and amounted to £1,651,000 (2002: £1,579,000).

The average monthly number of persons employed by the Company during the year, split by activity is shown below:

	2003 Number	2002 Number
Support services	**3,963**	3,656
Administration	**408**	444
	4,371	4,100

b) Directors emoluments

The Directors received no remuneration in the year in respect of their services to the Company (2002: nil).

7 Taxation

a) Analysis of credit in year

	2003 £000	2002 £000
Total current tax	**-**	-
Deferred tax:		
Origination and reversal of timing differences	**3,249**	2,250
Increase in estimate of recoverable deferred tax asset in respect of prior years	**42**	-
Total deferred tax	**3,291**	2,250
	3,291	2,250

b) Factors affecting the tax credit for the year

The tax credit for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003 £000	2002 £000
Loss on ordinary activities before tax	**(11,829)**	(8,468)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%)	**(3,549)**	(2,540)
Effects of:		
Expenses not deductible for tax purposes	**300**	290
Depreciation in excess of capital allowances for the year	**4,215**	6,000
Utilisation of tax losses	**(966)**	(3,750)
Current tax charge for the year	**-**	-

c) Factors that may affect future tax charges

A deferred tax asset of £198,000 (2002: nil) arising from short term timing differences has not been recognised as, in the directors' opinion, the timing differences are not more likely than not to reverse.

8 Tangible fixed assets

The movement in the year was as follows:

	Freehold land and buildings £000	Equipment, fixtures and fittings £000	Assets in course of construction £000	Total £000
Cost				
Beginning of year	20,747	134,907	29,901	185,555
Additions	416	29,149	24,828	54,393
Disposals	(21)	(9,365)	-	(9,386)
Transfers	-	25,850	(25,850)	-
End of year	**21,142**	**180,541**	**28,879**	**230,562**
Depreciation				
Beginning of year	5,707	66,062	-	71,769
Charge	2,310	32,859	-	35,169
Disposals	(1)	(9,365)	-	(9,366)
End of year	**8,016**	**89,556**	-	**97,572**
Net book value				
Beginning of year	15,040	68,845	29,901	113,786
End of year	**13,126**	**90,985**	**28,879**	**132,990**

Included in freehold land and buildings are assets held under finance leases with a net book value of £6,284,000 (2002: £6,620,000). Depreciation charged during the year on such assets was £336,000 (2002: £334,000). Included in freehold land and buildings is land at a cost of £668,000 (2002: £668,000) which has not been depreciated.

9 Stocks

	2003 £000	2002 £000
Raw material and consumables	**1,156**	603

10 Debtors

	2003 £000	2002 £000
Amounts falling due within one year:		
Trade debtors	**7,990**	5,890
Amounts owed by fellow subsidiary undertakings	**204,197**	146,962
Other debtors	**734**	237
Deferred tax asset (see note 11)	**6,691**	4,445
VAT	**6,295**	7,570
Prepayments and accrued income	**3,295**	2,296
	229,202	167,400

Amounts falling due after more than one year:		
Deferred tax asset (see note 11)	**21,495**	20,450

Amounts owed by fellow subsidiary undertakings are repayable on demand and are non-interest bearing.

11 Deferred tax

	2003 £000	2002 £000
Included within debtors due within one year:		
- accelerated capital allowances	**6,691**	-
- tax losses carried forward	**-**	4,445
	6,691	4,445
Included within debtors due after more than one year:		
- accelerated capital allowances	**21,495**	20,450
	21,495	20,450
	28,186	24,895

Deferred tax asset		
Beginning of year	**24,895**	22,645
Credit in the profit and loss account during the year	**3,291**	2,250
End of year	**28,186**	24,895

The amount of unrecognised deferred tax within the Company is disclosed in note 7c). The deferred tax asset above has arisen as a result of depreciation exceeding capital allowances. Given recent and forecast trading, the Directors are of the opinion that the level of taxable profits in the foreseeable future is more likely than not to be sufficient to recognise the deferred tax asset.

12 Creditors: Amounts falling due within one year

	2003 £000	2002 £000
Bank loans and overdrafts	**5,664**	10,293
Obligations under finance leases (see note 13)	**223**	149
Trade creditors	**22,020**	17,379
Amounts due to fellow subsidiary undertakings	**184,215**	99,409
Amounts due to ultimate parent undertaking	**143,243**	143,243
Amounts due to related parties (see note 17)	**578**	2,157
Social security and PAYE	**-**	1,074
Other creditors	**1,010**	640
Accruals and deferred income	**37,986**	29,051
Government grants	**73**	73
	395,012	303,468

On 25 January 2002, the Company entered into a revolving credit facility ("RCF") arrangement with British Sky Broadcasting Finance Limited ("BSkyB Finance") for £500 million. At 30 June 2003, this facility, which is included within the amounts due to fellow subsidiary undertakings, is drawn down by £35,115,000 (2002: £6,497,000), which is repayable on demand and is non-interest bearing.

On 25 January 2002, the Company entered into a reciprocal RCF arrangement with BSkyB Finance for the same amount and with the same terms as the above facility. At 30 June 2003, this facility is undrawn.

Other amounts due to the ultimate parent undertaking and to fellow subsidiary undertakings are repayable on demand and are non-interest bearing.

13 Creditors: Amounts falling due after more than one year

	2003 £000	2002 £000
Obligations under finance leases	**7,465**	7,688
Government grants	**684**	756
Other creditors	**2,082**	2,189
	10,229	10,633

At 30 June 2003, all obligations under finance leases represent amounts drawn down in connection with the Customer Relationship Management Centre in Dunfermline. Repayments of £654,000 (2002: £806,000) were made against the Customer Relationship Management Centre. A proportion of these repayments has been allocated to any capital amount outstanding. The Customer Management Centre lease bears interest at a rate of 8.5%, which is included within other creditors and expires in September 2020.

13 Creditors: Amounts falling due after more than one year (continued)

Obligations under the finance lease are repayable as follows:

	2003 **£000**	2002 £000
Amounts repayable:		
– within 1 year	**223**	149
– between 1 and 2 years	**250**	223
– between 2 and 5 years	**915**	833
– after 5 years	**6,300**	6,632
	7,688	7,837

14 Called-up share capital

	2003 **£**	2002 £
Authorised		
100 ordinary shares of £1 each	**100**	100
Allotted, called up and fully paid		
2 ordinary shares of £1 each	**2**	2

15 Reconciliation of movements in shareholder's deficit

The movements on shareholder's deficit includes all movements on reserves.

	Share capital £000	Profit and loss account £000	Total shareholder's deficit £000
As at 1 July 2002	**-**	**(11,862)**	**(11,862)**
Loss for the financial year	-	(8,538)	(8,538)
As at 30 June 2003	**-**	**(20,400)**	**(20,400)**

16 Guarantees and other financial commitments

a) Guarantees

The Company has given joint and several guarantees, together with BSkyB Limited in relation to the £200 million and the £600 million revolving credit facilities held by its parent undertaking, BSkyB. The Company has given joint and several guarantees, together with BSkyB Limited, in relation to the issue in the US public debt market of US$300 million of 7.30% Guaranteed Notes repayable in October 2006, US$600million of 6.875% Guaranteed Notes repayable in February 2009 and in relation to US$650 million and £100 million Guaranteed Notes issued under Regulation S/144A and subsequently registered with the SEC, both repayable in July 2009.

16 Guarantees and other financial commitments (continued)

b) Capital commitments

	2003 **£000**	2002 £000
Contracted for but not provided for in the accounts:		
- Capital expenditure	**891**	2,656

17 Transactions with related parties

The Group, including the Company, conducts business transactions on an arm's length normal commercial basis with, and receives a number of services from, shareholder companies or members of their groups and associated undertakings. These transactions are described in the consolidated accounts of BSkyB (see note 18).

The Company has taken advantage of the exemption given by Financial Reporting Standard 8 "Related Party Disclosures" not to provide further details of these transactions or those with fellow group undertakings as it is a wholly owned subsidiary of BSkyB and disclosures of such transactions are made in the consolidated accounts of the Group, which are publicly available (see note 18).

18 Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of British Sky Broadcasting Limited, a company incorporated in Great Britain and registered in England and Wales. The ultimate parent company is British Sky Broadcasting Group plc, a company incorporated in Great Britain and registered in England and Wales.

The only group in which the results of the Company are consolidated is that headed by British Sky Broadcasting Group plc. The consolidated accounts of this 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.

19 Financing

The Company's balance sheet at 30 June 2003 shows net liabilities of £20,400,000 and net current liabilities of £143,159,000.

The Directors of BSkyB Limited have confirmed that they will continue to provide support to Sky Subscriber Services Limited to enable the Company to meet its liabilities as they fall due for at least twelve months from the date of signing the accounts.

Accordingly the financial statements are prepared on the going concern basis.