The Surrey Golf Company Limited

Annual report and financial statements
for the year ended 30 June 2007

Registered number 2973803

Directors and Officers

For the year ended 30 June 2007

Directors

The Surrey Golf Company Limited's ("the Company") present Directors and those who served during the year are as follows

D J Darroch

J R Murdoch

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 financial statements and Auditors' Report for the year ended 30 June 2007

Principal activity and future developments

The Company's principal activity during the year was the operation of a golf course and ancillary activities The Directors expect these activities to continue for the foreseeable future This director's report has been prepared in accordance with the special provisions relating to small companies under 264(4)(a) of the Companies Act 1985

Results and dividends

The audited accounts for the year ended 30 June 2007 are set out on pages 6 to 17 The profit on ordinary activities after taxation for the year was £4,452 (2006 £78,074) The Directors do not recommend the payment of a dividend for the year ended 30 June 2007 (2006 £nil)

Directors and their interests

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

J R Murdoch and D J Darroch are also Directors of the Company's ultimate parent undertaking, British Sky Broadcasting plc ("BSkyB") The interests of these Directors in the share capital of BSkyB are disclosed in the Report on Directors Remuneration in BSkyB's 2007 Annual Report, which are publicly available

Details of the Unapproved Executive Share Option Scheme, the Sharesave Scheme, the LTIP and the EBP are also given in BSkyB's 2007 Annual Report

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 2007 Annual Report, no other Director held any interest in the share capital, including options, of the Company or any subsidiary of the Company, during the year

At 30 June 2007, the BSkyB Employee Share Ownership Plan ("ESOP") held an interest of 8,605,442 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 2007 the BSkyB share price traded within the range of £5 175 to £6 635 per share The middle-market closing price on the last working day of the financial year was £6 40

Principal risks and uncertainty

The Company's activities expose it to liquidity risk

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

The Directors do not believe the business is exposed to cashflow risk, credit risk or price risk

Auditors

The Directors have passed an elective resolution dispensing with the requirement to annually reappoint an auditor for the Company

In the case of each of the persons who are Directors of the Company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware, and
- each of the directors 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

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

By order of the Board,

D. Gormley

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

28 April 2008

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements The Directors have elected to prepare financial statements for the company in accordance with International Financial Reporting Standards ("IFRS")

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 The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements' In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs However, directors are also required to

- 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 proper accounting records that 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent Auditors' Report to the Members of The Surrey Golf Company Limited

We have audited the financial statements of The Surrey Golf Company Limited for the year ended 30 June 2007 which comprise income statement, the statement of recognised income and expense the balance sheet, the cash flow statement, and the related notes 1 to 17 These financial statements 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the statement of directors responsibilities Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985 We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements We also report to you if, in our opinion, 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 other transactions is not disclosed

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 June 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Separate opinion in relation to IFRS

As explained in Note 1, the company, in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board Accordingly, in our opinion the financial statements give a true and fair view, in accordance with IFRSs, of the state of the company's affairs as at 30 June 2007 and of its profit for the year then ended

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
United Kingdom

28 April 2008

Income Statement

For the year ended 30 June 2007

	Notes	2007 £	2006 £
Revenue	2	**584,898**	586,564
Operating expenses	3	**(588,397)**	(515,860)
Operating profit		**(3,499)**	70,704
Investment income	4	**7,951**	7,370
Profit before tax	5	**4,452**	78,074
Taxation	7	**-**	-
Profit for the year	13	**4,452**	78,074

The accompanying notes are an integral part of this income statement

All results relate to continuing operations

Statement of Recognised Income and Expense for the year ended 30 June 2007

	2007 £	2006 £
Profit for the period	**4,452**	78,074
Total recognised income and expense for the year	**4,452**	78,074

The accompanying notes are an integral part of this statement of recognised income and expense

Balance Sheet

For the year ended 30 June 2007

	Notes	2007 £	2006 £
Non-current assets			
Property, plant and equipment	8	**1,981,099**	1,998,002
Current assets			
Inventories	9	**22,988**	20,286
Trade and other receivables	10	**369,916**	69,237
Cash and cash equivalents		**190,252**	656,983
		583,156	746,506
Total assets		**2,564,255**	2,744,508
Current liabilities			
Trade and other payables	11	**3,689,914**	3,874,619
Total liabilities		**3,689,914**	3,874,619
Shareholders' deficit	13	**(1,125,659)**	(1,130,111)
Total liabilities and shareholders' deficit		**2,564,255**	2,744,508

The accompanying notes are an integral part of this balance sheet

Authorised by the board and signed on its behalf

D J Darroch
Director
28 April 2008

Cash Flow Statement

For the year ended 30 June 2007

	Notes	2007 £	2006 £
Cash flows from operating activities			
Cash generated from operations	14	**(470,103)**	122,586
Interest received		**7,951**	7,370
Taxation paid		**(4,579)**	(11,948)
Net cash from operating activities		**(466,731)**	118,008
Cash flows used in investing activities			
Purchase of property, plant and equipment		**-**	-
Net cash used in investing activities		**-**	-
Net increase (decrease) in cash and cash equivalents		**(466,731)**	118,008
Cash and cash equivalents at the beginning of the year		**656,983**	538,975
Cash and cash equivalents at the end of the year		**190,252**	656,983

The accompanying notes are an integral part of this cash flow statement

Notes to financial statements

1 Accounting policies

The Surrey Golf Company Limited (the "Company") is a limited liability company incorporated in England and Wales, 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 by the European Union ("EU"), the Companies Act 1985 and the IASB

These are the Company's first annual financial statements since adopting IFRS, and the Company has elected 1 July 2004 as the date of transition to IFRS (the "Transition Date") The following IFRSs have been adopted from the Transition Date, which is earlier than required under the IFRS transitional provisions IAS 32 "Financial Instruments Disclosure and Presentation", IAS 39 "Financial Instruments Recognition and Measurement", IFRS 2 "Share-based Payment" and IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

In addition, the company has also complied with IFRS as issued by the International Accounting Standards Board ("IASB")

b) Basis of preparation

The financial statements have been prepared on an historical cost basis The accounts have been prepared on a going concern basis

The Company maintains a 52 or 53 week fiscal year ending on the Sunday nearest to 30 June in each year In fiscal year 2007 this date was 1 July 2007, this being a 52 week year (fiscal year 2006 2 July 2006, 52 week year) For convenience purposes, the Group continues to date its financial statements as of 30 June 2007

c) Foreign currency translation

The Company's functional currency and presentational currency is pounds sterling Trading activities denominated in foreign currencies are recorded in pounds sterling at the actual exchange rates as of the date of the transaction Monetary assets, liabilities and commitments denominated in foreign currencies at the year end are reported at the rates of exchange at the balance sheet date Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the date of the initial transaction Gains and losses on retranslation of assets and liabilities are included net in the profit or loss for the year, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity

d) Property, plant and equipment ("PPE")

i. Owned assets

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment losses, (see accounting policy g), other than those that are classified as held for sale, which are stated at the lower of carrying amount and fair value less costs to sell

When an item of property, plant and equipment is comprised of major components having different useful economic lives, the components are accounted for as separate items of property, plant and equipment

ii. Leased assets

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are treated as property, plant and equipment

Notes to financial statements

1 Accounting policies (continued)

iii. Depreciation

Depreciation is provided to write off the cost, less estimated residual value, of property, plant and equipment on a straight-line basis over its estimated useful life Land, and assets that are not yet available for use, are not depreciated Principal useful economic lives used for this purpose are

Freehold buildings	50 years
Golf driving range	4 years
Equipment, fixtures & fittings	
- Fixtures and fittings	4 years
- Plant and machinery	4 years

e) Inventories

Raw materials, comsumables and goods held for resale are valued at the lower of cost or net realisable value The cost of raw materials, consumables and goods held for resale is recognised through the operating expenses line of the income statement on a FIFO basis

f) Financial assets and liabilities

Financial assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs At each balance sheet date, the Company assesses whether there is any objective evidence that any financial asset is impaired Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the financial asset or liability Financial assets are derecognised from the balance sheet when the Company's contractual rights to the cash flows expire or the Company transfers substantially all the risks and rewards of the financial asset Financial liabilities are derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires

i. Trade and other receivables

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

ii Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank accounts, deposits receivable on demand and deposits with maturity dates of 3 months or less from the date of inception Bank overdrafts that are repayable on demand and which form an integral part of the Company's cash management are included as a component of cash and cash equivalents where offset conditions are met

iii Trade and other payables

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

Notes to financial statements

1 Accounting policies (continued)

g) 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 (see accounting policy h) 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 Any impairment loss in respect of goodwill is irreversible

h) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation to make a probable transfer of economic benefits as a result of past events The amounts recognised represent the Company's best estimate of the transfer of benefits that will be required to settle the obligation as of the balance sheet date Provisions are discounted if the effect of the time value of money is material using a market rate adjusted for risks specific to the liability

i) Revenue recognition

Revenue, which excludes value added tax and sales between Group companies, represents the gross inflow of economic benefit for goods and services provided in the normal course of business

j) Employee benefits

Wages, salaries and social security contributions

Wages, salaries, social security contributions, bonuses payable and non-monetary benefits for current employees, are recognised in the income statement as the employees' services are rendered

Pension obligations

The Company provides pensions to eligible employees through defined contribution schemes The amount charged to the income statement in the year represents the cost of contributions payable by the Company to the scheme in exchange for employee services rendered in that year The assets of the Schemes are held independently of the Company

Termination benefits

Termination benefits are recognised as a liability when, and only when, the Company has a demonstrable commitment to terminate the employment of an employee or group of employees before the normal retirement date or as the result of an offer to encourage voluntary redundancy

k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee All other leases are classified as operating leases

Notes to financial statements

1 Accounting policies (continued)

The Company as lessee

Assets held under finance leases are recognised as assets of the Company at their fair value on the date of acquisition, or, if lower, at the present value of the minimum lease payments The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation Lease payments are apportioned between finance charges and reductions of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability

The lease expense arising from operating leases is charged to the income statement on a straight line basis over the term of the lease, unless another systematic basis is more appropriate Benefits received and receivable as incentives to enter into operating leases are recorded on a straight line basis over the lease term

l) Taxation, including deferred taxation

The Company's liability for current tax is based on taxable profits 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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, 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

m) Accounting standards, interpretations and amendments to published standards not yet effective

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published and are mandatory for the Company's accounting periods beginning on or after 1 July 2007, or later periods These new standards are listed below

- IFRS 7 "Financial Instruments Disclosures" (effective from 1 July 2007)
- Amendment to IAS 1 "Presentation of Financial Statements – Capital Disclosures" (effective from 1 July 2007)
- Revised guide on Implementing IFRS 4 "Insurance Contracts" (effective from 1 July 2007)
- IFRIC 10 "Interim Financial Reporting and Impairment" (effective from 1 July 2007)
- IFRIC 12 "Service Concession Arrangements" (effective from 1 July 2008)
- IFRIC 13 "Customer Loyalty Programmes" (effective from 1 July 2008)
- IFRIC 14 "IAS 19 - The limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction" (effective from 1 July 2008)
- Amendment to IAS 23 "Borrowing Costs" (effective from 1 July 2009)
- IFRS 8 "Operating Segments" (effective from 1 July 2009)

The Directors currently anticipate that the adoption of these standards, amendments and interpretations in future periods will not have a material impact on the financial statements of the Company other than additional disclosure requirements

Notes to financial statements

n) Critical accounting policies

Critical accounting policies are those that require significant judgement or estimates and potentially result in material different results under different assumptions or conditions

Deferred Taxation

An estimation of the current tax liability together with an assessment of the temporary differences which arise as a consequence of different tax and accounting treatments is required Assumptions are made around the extent to which it is probable that future taxable profit will be available against which the temporary differences can be utilised and deferred tax assets are recognised at the balance sheet date based on these assumptions

2 Revenue

Revenue arises from the Company's sole class of business, being the operation of a golf course and ancillary activities, and arises wholly within the United Kingdom The Company's main sources of revenue are recognised as follows

- Membership income is recognised evenly over the period of membership, and
- Revenue generated from sales is recognised when the sale takes place

3 Operating expenses

These principally comprise of the administration and maintenance of the golf course

4 Investment income

	2007	2006
	£	£
Interest receivable	**7,951**	7,370

5 Profit before taxation

Profit before taxation is stated after charging (crediting)

	2007	2006
	£	£
Depreciation of property, plant and equipment	**16,903**	16,900
Interest on finance leases	**2,351**	2,580

Audit Fees

Amounts paid to the auditors for audit services of £6,250 (2006 £6,000) were borne by another Group subsidiary in 2007 and 2006 No amounts for other services have been paid to the auditors

Notes to financial statements

6 Employee benefits and key management compensation

a) Employee benefits for the Company during the year

	2007	2006
	£	£
Wages and salaries	**214,458**	182,162
Social security costs	**15,742**	14,512
Contributions to the BSkyB Pension Plan ("the Pension Plan") (i)	**637**	699
	230,837	197,373

(i) The Company operates a defined contribution pension scheme through the Pension Plan The pension charge for the year represents the cost of contributions payable by the Company to the schemes during the year The Company's contributions owing to the schemes at 30 June 2007 were £637 (2006 £699)

The average monthly number of full-time equivalent persons (including temporary employees) employed by the Company during the year (excluding directors) was 14 (2006 13)

b) Directors emoluments

The Directors received no remuneration in the year in respect of their services to the Company (2006 £nil)

7 Taxation

a) Analysis of charge in year

The tax charge for the year was £nil (2006 £nil)

b) Factors affecting the tax charge for the year

The tax expense for the year is lower (2006 lower) than the standard rate of corporation tax in the UK (30%) applied to profit before tax The differences are explained below

	2007	2006
	£	£
Profit on ordinary activities before tax	**4,452**	78,074
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	**1,336**	23,422
Effects of		
Movement in deferred tax asset not recognised	**293**	(4,036)
Other non-deductible expenses	-	-
Imputed interest on intercompany loans	-	-
Losses brought forward	-	-
Group relief surrendered by other BSkyB undertakings for no charge	**(1,629)**	(19,386)
Tax charge for the year	-	-

All taxation relates to UK corporation tax

c) **Unrecognised deferred tax assets**

A deferred tax asset of £27,697 (2006 £20,761) arising from timing differences has not been recognised These amounts will be recoverable provided that suitable taxable profits will arise in the future Although the Directors do expect sufficient profits to arise, there is currently insufficient evidence to support recognition of a deferred tax asset relating to these balances

8 Property, plant and equipment

	Land and freehold buildings (i)	Leasehold improvements	Equipment, furniture and fittings	Total
	£	£	£	£
Cost				
At 1 July 2005	3,083,774	7,999	206,074	3,297,847
Additions	-	-	-	-
At 30 June 2006	3,083,774	7,999	206,074	3,297,847
Additions	-	-	-	-
At 30 June 2007	**3,083,774**	**7,999**	**206,074**	**3,297,847**
Depreciation				
At 1 July 2005	1,107,626	7,999	167,320	1,282,945
Depreciation	-	-	16,900	16,900
At 30 June 2006	1,107,626	7,999	184,220	1,299,845
Depreciation	-	-	16,903	16,903
At 30 June 2007	**1,107,626**	**7,999**	**201,123**	**1,316,748**
Carrying amounts				
At 1 July 2005	1,976,148	-	38,754	2,014,902
At 30 June 2006	1,976,148	-	21,854	1,998,002
At 30 June 2007	**1,976,148**	-	**4,951**	**1,981,099**

(i) Depreciation was not charged on £1,971,228 of land (2006 £1,971,228)

(ii) Included within Equipment, furniture and fittings are assets held under finance leases with a cost of £75,211 (2006 £75,211) and accumulated depreciation of £75,211 (2006 £75,211) Depreciation charged during the year on such assets was £nil (2006 £nil)

9 Inventories

	2007	2006
	£	£
Finished goods	**22,988**	20,286

Notes to financial statements

10 Other receivables

	2007	2006
	£	£
Amounts receivables to ultimate parent company	**312,752**	-
Other receivables	**2,688**	2,846
Prepayments and accrued income	**54,476**	66,391
	369,916	69,237

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

11 Trade and other payables

	2007	2006
	£	£
Trade payables	**60,770**	68,715
Amounts payable to ultimate parent company	**-**	113,332
Amounts payable to other Group companies	**3,546,735**	3,545,997
Other taxation and social security	**27,408**	31,987
Accruals and deferred income	**40,264**	103,775
Other payables	**14,737**	10,813
	3,689,914	3,874,619

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

No interest is charged on amounts due to Parent company or other Group companies

12 Share capital

	2007	2006
	£	£
Authorised		
100 ordinary shares of £1 each	**100**	100
Allotted, called-up and fully paid		
2 ordinary shares of £1 each	**2**	2

Notes to financial statements

13 Reconciliation of shareholders' deficit

	Share capital £	Retained earnings £	Total shareholders' deficit £
At 1 July 2005	2	(1,208,187)	(1,208,185)
Profit for the year	-	78,074	78,074
At 30 June 2006	**2**	**(1,130,113)**	**(1,130,111)**
Profit for the year	-	4,452	4,452
At 30 June 2007	**2**	**1,125,661**	**1,125,659**

14 Notes to the cash flow statement

Reconciliation of profit before taxation to cash generated from operations

	2007 £	2006 £
Profit before taxation	**4,452**	78,074
Depreciation of property, plant and equipment	**16,903**	16,900
Net finance costs	**(7,951)**	(7,370)
(Increase) decrease in trade and other receivables	**(300,679)**	(46,751)
(Increase) decrease in inventories	**(2,702)**	995
Increase (decrease) in trade and other payables	**(180,126)**	80,738
Cash generated from operations	**(470,103)**	122,586

15 Capital contracted commitments, contingencies and guarantees

Future expenditure contracted for but not provided in the accounts

	Year ending 30 June							
	2007	**2008**	**2009**	**2010**	**2011**	**After 5 years**	**Total at 30 June 2007**	Total at 30 June 2006
	£	£	£	£	£	£	£	£
Property, plant and equipment	11,335	11,335	11,335	6,937	635	-	**41,577**	41,577

Notes to financial statements

16 Transactions with related parties

a) Major shareholders of BSkyB

The Company does not conduct business transactions with any major shareholders of BskyB

Purchases of goods and services from News Corporation companies

There were no purchases of goods and services by the company from News Corporation companies

b) Key management

None of the directors of the company were key management

c) Transactions with other Group companies

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

Amounts settled by group companies in the year on behalf of The Surrey Golf Company Limited amounted to £738 (2006 £64,107)

17 Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of 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 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