TEAMtalk Broadcast Limited

Annual report and financial statements
for the eighteen months ended 30 June 2007

Registered number 4004291

Directors and Officers

For the eighteen months ended 30 June 2007

Directors

TEAMtalk Broadcast Limited's ("the Company's") present Directors and those who served during the eighteen months ended 30 June 2007 are as follows

D Annat
P Croton (appointed 23 January 2007)
P Dubens (resigned 23 January 2007)
R Flint (appointed 2 May 2007)
AM Galvin (resigned 3 August 2007)
A Griffith (appointed 23 January 2007)
N Rust (appointed 23 January 2007, resigned 2 May 2007)
M Woodhead (resigned 23 January 2007)

Secretary

AM Galvin (resigned 23 January 2007)
DJ Gormley (appointed 23 January 2007)

Registered office

Grant Way
Isleworth
Middlesex
TW7 5QD

Auditors

KPMG Audit Plc
1 The Embankment
Neville Street
Leeds
LS1 4DW

Directors' report

The Directors present their Annual Report on the affairs of the Company, together with the financial statements and Auditors' Report for the eighteen months ended 30 June 2007

Business review and principal activities

The Company is a wholly owned subsidiary of British Sky Broadcasting Group plc ("BSkyB") and operates together with BSkyB's other subsidiaries as a part of the Group

The principal activity of the company is that of the productions and sale of in-store radio programming within the UK There have not been any significant changes in the Company's activities in the period under review The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year

The audited accounts for the period ended 30 June 2007 are set out on pages 5 to 21 The profit for the period was £414,000 (2005 £425,000 profit for the year) The Directors do not recommend the payment of a dividend for the period ended 30 June 2007 (2005 nil) There have not been any significant changes in the Company's activities in the 18 months under review

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

The Directors re-appointed KPMG Audit Plc as the auditors of the Company during the period

By order of the Board,

D Annat
Director
15 November 2007

Directors' report and responsibilities in respect of the Directors' report and the Financial Statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable laws

The financial statements are required by law to present fairly the financial position and the performance of the company, the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Independent Auditors' Report to the Members of TEAMtalk Broadcast Limited

We have audited the financial statements of TEAMtalk Broadcast Limited for the period ended 30 June 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement and the Statement of Recognised Income and Expense and the related notes 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 auditor's 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 financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 3 Our responsibility is to audit the financial statements in accordance with relevant 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 and whether the financial statements have been properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements In addition we 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 within it

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 company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the 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 EU, of the state of the company's affairs as at 30 June 2007 and of its profit for the period 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

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

15 November 2007

1 The Embankment,
Neville Street
Leeds, LS1 4DW

Income Statement

For the eighteen months ended 30 June 2007

	Notes	18 months to 30 June 2007 £'000	12 months to 31 December 2005 £'000
Revenue	2	**2,327**	2,009
Operating expense	3	**(2,002)**	(1,652)
Operating profit		**325**	357
Investment income	4	**71**	2
Profit before tax	5	**396**	359
Taxation	7	**18**	66
Profit for the period attributable to equity holders of the parent	16	**414**	425

The accompanying notes are an integral part of this income statement

Statement of Recognised Income and Expense

For the eighteen months ended 30 June 2007

	18 months to 30 June 2007 £'000	12 months to 31 December 2005 £'000
Profit for the year attributable to equity holders of the parent	**414**	425
Total recognised income and expense attributable to equity holders of the parent	**414**	425

Balance Sheet

At 30 June 2007

	Notes	30 June 2007 £'000	31 December 2005 £'000
Non-current assets			
Intangible assets	8	**41**	-
Property, plant and equipment	9	**26**	33
Fixed asset investments	10	**-**	-
Deferred tax asset	11	**18**	-
		85	33
Current assets			
Inventories	12	**2**	8
Trade and other receivables	13	**1,011**	1,398
Cash and cash equivalents		**1,286**	149
		2,299	1,555
Total assets		**2,384**	1,588
Current liabilities			
Trade and other payables	14	**1,412**	1,030
Total liabilities		**1,412**	1,030
Share capital		**1**	1
Share premium		**929**	929
Retained earnings		**42**	(372)
Shareholders' equity attributable to equity holders of the parent	16	**972**	558
Total liabilities and shareholders' equity		**2,384**	1,588

The accompanying notes are an integral part of this balance sheet

Signed on behalf of the Board

D Annat

Director

15 November 2007

Cash Flow Statement

For the eighteen months ended 30 June 2007

	18 months to 30 June 2007 £'000	12 months to 31 December 2005 £'000
Profit before taxation	**396**	359
Depreciation of property, plant and equipment	**26**	19
Amortisation of intangible assets	**9**	-
Investment income	**(71)**	(2)
Decrease/(increase) in inventories	**6**	2
Decrease in trade and other receivables	**62**	87
(Decrease)/increase in trade and other payables	**(388)**	108
Cash generated from operations	**40**	573
Interest received	**71**	2
Net cash from operating activities	**111**	575
Cash flows from investing activities		
Purchase of property, plant and equipment	**(19)**	(12)
Capitalisation of intangible assets	**(50)**	-
Net cash used in investing activities	**(69)**	(12)
Cash flows from financing activities		
Receipts/(payments) from loans to subsidiaries	**1,095**	(458)
Net cash from financing activities	**1,095**	(458)
Net increase in cash and cash equivalents	**1,137**	105
Cash and cash equivalents at the beginning of the year	**149**	44
Cash and cash equivalents at the end of the year	**1,286**	149

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

Notes to financial statements

1 Accounting policies

TEAMtalk Broadcast Limited (the "Company") is a limited liability company incorporated in England and Wales, and domiciled in the United Kingdom ("UK")

a) Statement of compliance

The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs")

These are the Company's first annual financial statements since adopting IFRS, and the Company has elected 1 January 2005 as the date of transition to IFRS (the "Transition Date")

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 The accounts have been prepared on a going concern basis

The Company has taken advantage of the exemption from preparing the consolidated accounts afforded by section 228 of the Companies Act 1985, because it is a wholly-owned subsidiary of BSkyB which prepares consolidated accounts which are publicly available (see note 18)

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

Notes to financial statements

1. Accounting policies (continued)

d) Intangible assets

Research expenditure is recognised in the income statement as the expenditure is incurred Development expenditure (relating to the application of research knowledge to plan or design new or substantially improved products for sale or use within the business) is recognised as an intangible asset from the point at which it is probable that the Company has the intention and ability to generate future economic benefits from the development expenditure, that the development is technically feasible and that the subsequent expenditure can be measured reliably Any other development expenditure is recognised in the income statement as incurred

Amortisation of an intangible asset begins when the asset is available for use, and is charged to the income statement through operating expenses on a straight-line basis over the intangible assets' estimated useful life, being a period of no more than ten years, unless the asset life is judged to be indefinite If the useful life is indefinite or the asset is not yet available for use, no amortisation is charged and an impairment test is carried out at least annually

e) 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 comprises major components having different useful economic lives, the components are accounted for as separate items of property, plant and equipment

ii 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 Principal useful economic lives used for this purpose are

Fixtures & fittings	3 to 5 years
Plant & equipment	3 to 5 years

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 balance sheet when the obligation specified in the contract is discharged or cancelled or expires

Notes to financial statements

1 Accounting policies (continued)

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

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 financial assets (see accounting policy f) and deferred taxation (see accounting policy j) 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

Notes to financial statements

1 Accounting policies (continued)

h) Revenue recognition

Revenue, which excludes value added tax and sales between Group companies, 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 The Company's main sources of revenue are recognised as follows

— Service revenue is from the provision of tailored radio stations to retail outlets and includes live DJ services, pre-recorded services and purely music delivery services Revenue is recognised on a monthly basis

— Revenue from production work on adverts and jingles etc is recognised in the month the work is completed

— Engineers & installations revenue is from equipment being installed into new stores and repairs or maintenance to existing equipment in stores

— Other revenue principally includes income from advertising on the radio stations, contributions towards the PPL payments and other costs incurred which are passed onto the customer

i) 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

j) 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

1 Accounting policies (continued)

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

k) 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

2 Revenue

	18 months to 30 June 2007 £'000	12 months to 31 December 2005 £'000
Service contract	**1,653**	1,176
Production	**196**	100
Call out charges/repairs	**171**	80
Installations	**159**	280
Other	**148**	373
	2,327	2,009

Revenue arises from goods and services provided in the United Kingdom

3 Operating expenses

	18 months to 30 June 2007 £'000	12 months to 31 December 2005 £'000
Cost of sales	**560**	558
Administrative costs	**1,442**	1,094
	2,002	1,652

4 Investment income

	18 months to 30 June 2007 £'000	12 months to 31 December 2005 £'000
Investment income from cash, cash equivalents	**71**	2

5 Profit before taxation

Profit before taxation is stated after charging

	18 months to 30 June 2007 £'000	12 months to 31 December 2005 £'000
Depreciation of property, plant and equipment	**26**	19
Amortisation of intangible assets	**9**	-
Auditors remuneration	**-**	7

Amounts paid to the auditors for audit services were borne by another Group undertaking for the eighteen months to 30 June 2007 (2005 £7,000) 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

	18 months to 30 June 2007 £'000	12 months to 31 December 2005 £'000
Wages and salaries	450	365
Social security costs	55	38
Contributions to the 365 Media Group Pension Plan ("the Pension Plan") (i)	20	13
	525	416

(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 average monthly number of full-time equivalent persons (including temporary employees) employed by the Company during the year was as follows

	18 months to 30 June 2007 Number	12 months to 31 December 2005 Number
Director	1	1
Production	5	6
Commercial	5	7
	11	14

Notes to financial statements

7. Taxation

a) Taxation recognised in the income statement

	18 months to 30 June 2007 £'000	12 months to 31 December 2005 £'000
Current tax expense		
Current tax	-	-
Adjustment in respect of prior year	-	(66)
Total current tax	-	(66)
Deferred tax expense		
Recognition of previously unrecognised deferred tax asset	(18)	-
Tax charge in year	(18)	(66)

b) Reconciliation of effective tax rate

The tax expense for the eighteen months is lower (2005 lower) than the standard rate of corporation tax in the UK (30%) applied to (loss) profit before tax The differences are explained below

	18 months to 30 June 2007 £'000	12 months to 31 December 2005 £'000
Profit before tax	396	359
Profit before tax multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	119	107
Effects of		
Depreciation in excess of capital allowances	5	6
Losses brought forward and utilised	(92)	(113)
Adjustments in respect of prior years	-	(66)
Group relief claimed at nil cost	(50)	-
Taxation	(18)	(66)

All taxation relates to UK corporation tax

Notes to financial statements

8 Intangible assets

	Staff Development costs £'000
Cost	
At 1 January 2005 and 31 December 2005	-
Additions	50
At 30 June 2007	**50**
Amortisation	
At 1 January 2005 and 31 December 2005	-
Amortisation for the year	9
At 30 June 2007	**9**
Carrying amounts	
At 1 January 2005	-
At 31 December 2005	-
At 30 June 2007	**41**

Notes to financial statements

9 Property, plant and equipment

	Fixture & Fittings £'000	Plant & Equipment £'000	Total £'000
Cost			
At 1 January 2005	16	74	90
Additions	-	12	12
At 31 December 2005	16	86	102
Additions	-	19	19
At 30 June 2007	**16**	**105**	**121**
Depreciation			
At 1 January 2005	12	38	50
Depreciation	4	15	19
At 31 December 2005	16	53	69
Depreciation	-	26	26
At 30 June 2007	**16**	**79**	**95**
Carrying amounts			
At 1 January 2005	4	36	40
At 31 December 2005	-	33	33
At 30 June 2007	**-**	**26**	**26**

Notes to financial statements

10 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 31 December 2005 and 30 June 2007	2,214
Impairment provision	
At 31 December 2005 and 30 June 2007	(2,214)
Carrying amounts	
At 31 December 2005 and 30 June 2007	-

The cost and provision relates fully to the investment in Radio Tara Limited, a dormant company resident in the Republic of Ireland

11. Deferred taxation

i) Recognised deferred tax assets

	30 June 2007 £'000	31 December 2005 £'000
Tax effect on timing differences because of		
Differences between capital allowances and depreciation	**18**	-

ii) Unrecognised deferred tax assets

	30 June 2007 £'000	31 December 2005 £'000
Tax effect on timing differences because of		
Differences between capital allowances and depreciation	-	22
Trading losses	-	86
	-	108

A deferred tax asset of £18,000 (2005 nil), arising upon the differences between capital allowances and depreciation has now been recognised on the basis that suitable taxable Group profits will arise in the future

Notes to financial statements

12 Inventories

	30 June 2007 £'000	31 December 2005 £'000
Receiver equipment for installation	**2**	8

13 Trade and other receivables

	30 June 2007 £'000	31 December 2005 £'000
Gross trade receivables	**183**	199
Less provision for impairment of receivables	**(12)**	(36)
Net trade receivables	**171**	163
Amounts receivable from other Group companies	**784**	1,109
Prepayments	**46**	59
Accrued income	**10**	67
	1,011	1,398

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value
Trade receivables principally comprise amounts outstanding from advertising income

14 Trade and other payables

	30 June 2007 £'000	31 December 2005 £'000
Trade payables	**82**	109
Amounts owed to other Group companies	**1,105**	390
VAT	**32**	15
Accruals	**137**	434
Deferred income	**56**	82
	1,412	1,030

The Directors consider that the carrying amount of trade and other payables approximates to fair values Trade payables principally comprise amounts outstanding for administrative costs

Notes to financial statements

15. Share capital

	30 June 2007 £	31 December 2005 £
Authorised		
1,000 (2005 1,000) ordinary shares of £1 each	**1,000**	1,000
Allotted, called-up and fully paid		
932 (2005 932) ordinary shares of £1 each	**932**	932

16 Reconciliation of shareholders' equity

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total shareholders' equity £'000
At 1 January 2005	1	929	(797)	133
Profit for the year	-	-	425	425
At 31 December 2005	**1**	**929**	**(372)**	**558**
Profit for the period	-	-	414	414
At 30 June 2007	**1**	**929**	**42**	**972**

17. Related Party Transactions

The Company has related party transactions with other Group companies In particular, it is normal practise for the Company to borrow cash from other Group companies as required For details of amounts owed to and from other Group companies, see notes 13 and 14 All amounts payable to other Group companies are non-interest bearing and repayable on demand

18 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 Plc BSkyB Plc is the ultimate controlling party

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

19 Explanation of transition to IFRS

There have been no significant adjustments to profit after tax and shareholders equity at 1 January 2005 and 31 December 2005 required when reconciling such amounts recorded in the accounts to the corresponding amounts in accordance with IFRS

The profit reported under UK GAAP and the profit reported under IFRS for the year ended 31 December 2005 is the same, as is the Company's equity reported under UK GAAP and the Company's equity reported under IFRS at both the Transition Date and at 31 December 2005