

Oddschecker Limited

Annual report and financial statements
for the year ended 30 June 2011

Registered number 4007343

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Directors and Officers

For the year ended 30 June 2011

Directors

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

P M A Croton

R C Flint

I D F Proctor

Secretary

D J Gormley

Registered office

Grant Way

Isleworth

Middlesex

TW7 5QD

Auditor

Deloitte LLP

Chartered Accountants

London

United Kingdom

Directors' report

The Directors present their Annual Report on the affairs of the Company, together with the financial statements and Auditor's Report for the year ended 30 June 2011

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 part of the Group. The principal activity of the Company is that of a holding company. There have not been any significant changes in the Company's activities in the year under review. Within the year the Company received a credit on forgiveness of an amount due to a subsidiary company upon its liquidation of £4,728,000.

The audited financial statements for the year ended 30 June 2011 are set out on pages 7 to 19. The profit for the year was £4,728,000 (2010: profit of £444,000). The Directors do not recommend the payment of a dividend for the year ended 30 June 2011 (2010: £nil).

Principal risks and uncertainties

The balance sheet of the Company is primarily intercompany balances. The intercompany balances of the Company are detailed in notes 6 and 7.

Credit risk

The Company's principal assets are intercompany balances; there is no credit risk associated with these balances.

Liquidity risk

The Company relies on the Group Treasury function to manage its liquidity and ensure that sufficient funds are available for ongoing operations and future developments. The Group currently has access to an undrawn £750 million revolving credit facility which is due to expire on 30 July 2013. The Company benefits from this liquidity through intra-group arrangements.

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

Directors

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

Going concern basis

The Directors have formed a judgement, at the time of approving the financial statements, that there is reasonable expectation that the Company will cease trading by 30 June 2012. For this reason the Directors have adopted a basis other than going concern in preparing the financial statements.

Directors' report (continued)

Auditor

In accordance with the provisions of Section 418 of the Companies Act 2006, each of the persons who are Directors of the Company at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware, and
- the Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information

Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board,



R C Flint
Director
Grant Way
Isleworth
Middlesex
TW7 5QD

29 September 2011

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor's report

Independent Auditor's Report to the Members of Oddschecker Limited

We have audited the financial statements of Oddschecker Limited for the year ended 30 June 2011 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 June 2011 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Auditors' report (continued)

Separate opinion in relation to IFRSs as issued by IASB

As explained in note 1 to the financial statements, the Company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB)

In our opinion the financial statements comply with IFRSs as issued by the IASB

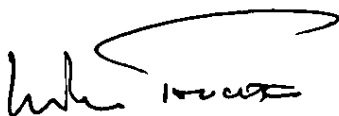
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



William Touche (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

29 September 2011

Income Statement

For the year ended 30 June 2011

	Notes	2011 £'000	2010 £'000
Operating income		-	443
Operating profit		-	443
Investment Income		4,728	-
Profit before tax	2	4,728	443
Tax	4	-	1
Profit for the year attributable to equity shareholders		4,728	444

The accompanying notes are an integral part of this income statement. All results relate to continuing operations.

For the years ended 30 June 2011 and 30 June 2010 the Company did not have any other items of Comprehensive Income.

Statement of Changes in Equity

For the year ended 30 June 2011

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total shareholders' equity £'000
At 1 July 2009	1	56	1,196	1,253
Profit for the year	-	-	444	444
At 30 June 2010	1	56	1,640	1,697
Credit on forgiveness of amount due to Subsidiary	-	-	4,728	4,728
At 30 June 2011	1	56	6,368	6,425

The accompanying notes are an integral part of this statement of changes in equity

Balance Sheet

As at 30 June 2011

	Notes	2011 £'000	2010 £'000
Non-current assets			
Investments in subsidiaries	5	-	-
Current assets			
Trade and other receivables	6	7,145	6,482
Total assets		7,145	6,482
Current liabilities			
Trade and other payables	7	720	4,785
Total liabilities		720	4,785
Share capital	9	1	1
Share premium		56	56
Reserves		6,368	1,640
Total equity attributable to equity shareholders		6,425	1,697
Total liabilities and shareholders' equity		7,145	6,482

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

These financial statements of Oddschecker Limited, registered number 4007343 have been approved by the Board of Directors on 29 September 2011 and were signed on its behalf by



R C Flint
Director

29 September 2011

Cash Flow Statement

For the year ended 30 June 2011

	Notes	2011 £'000	2010 £'000
Cash flows from operating activities			
Cash generated from operations	10	-	443
Net cash from operating activities		-	443
Cash flows from financing activities			
Write back of provision against intercompany debt		-	(443)
Net cash from financing activities		-	(443)
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		-	-

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

Notes to financial statements

1. Accounting policies

Oddschecker Limited (the "Company") is a limited liability Company incorporated and domiciled in the United Kingdom ("UK")

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and the Companies Act 2006. In addition, the Company also complied with IFRS as issued by the International Accounting Standards Board ("IASB")

b) Basis of preparation and going concern

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. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The Company has adopted the new accounting pronouncements which became effective this period, none of which had any significant impact on the Company's results or financial position.

The Company maintains a 52 or 53 week fiscal year ending on the Sunday nearest to 30 June in each year. In fiscal year 2011 this date was 3 July 2011, this being a 53 week year (fiscal year 2010: 27 June 2010, 52 week year). For convenience purposes, the Company continues to date its financial statements as at 30 June.

The Directors believe that the Company is likely to cease trading by 30 June 2012, and as such the accounts have been prepared on a basis other than going concern (please refer to the Directors' Report for further details).

The Company has taken advantage of the exemption from preparing the consolidated accounts afforded by section 400 of the Companies Act 2006, because it is a wholly-owned subsidiary of BSKyB which prepares consolidated accounts which are publicly available (see note 12).

c) Financial assets and liabilities

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

i. Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments and, where no stated interest rate is applicable, are measured at original invoice amount, if the effect of discounting is immaterial. Where discounting is material, trade and other receivables are measured at amortised cost using the effective interest method. 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.

Notes to financial statements

1 Accounting policies (continued)

ii Trade and other payables

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

d) Impairment

At each balance sheet date, and in accordance with IAS 36 "Impairment of Assets", the Company reviews the carrying amounts of all its assets excluding financial assets (see accounting policy c) and deferred taxation (see accounting policy e) 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 or its cash generating unit 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. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to those units, and then reduce the carrying amount of other assets in the unit on a pro-rata basis.

An impairment loss for an individual asset or cash generating unit 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.

Notes to financial statements

1 Accounting policies (continued)

e) 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. Temporary differences arising from goodwill and the initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit are not provided for. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that have been enacted or substantively 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

f) Investments in subsidiaries

Investments in subsidiary undertakings are stated at cost. Provision is made for any impairment in value

Notes to financial statements

1 Accounting policies (continued)

g) Critical accounting policies

Certain accounting policies are considered to be critical to the Company. An accounting policy is considered to be critical if its selection or application materially affects the Company's financial position or results. The Directors are required to use their judgement in order to select and apply the Company's critical accounting policies. Below is a summary of the Company's critical accounting policies and details of the key areas of judgement that are exercised in their application.

i) Taxation

- The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.
- Accruals for tax contingencies require management to make judgments and estimates in relation to tax audit issues and exposures. Amounts accrued are based on management's interpretation of country-specific tax law and the likelihood of settlement. Tax benefits are not recognised unless it is probable that the tax positions will be sustained. Once considered to be probable, management reviews each material tax benefit to assess whether a provision should be taken against full recognition of the benefit on the basis of the likely resolution of the issue through negotiation and/or litigation.
- The amounts recognised in the financial statements in respect of each matter are derived from the Company's best estimation and judgment, as described above. However, the inherent uncertainty regarding the outcome of these items means the eventual resolution could differ from the provision and in such event the Company would be required to make an adjustment in a subsequent period which could have a material impact on the Company's profit and loss and/or cash position.

h) 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 but are only effective for our accounting periods beginning on or after 1 July 2011 or later periods. These new standards are listed below.

- Amendment to IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective 1 January 2011),
- IAS 24 Revised (2009) "Related Party Disclosures" (effective 1 January 2011),
- Improvements to IFRSs 2010 – various standards (effective 1 January 2011),
- IFRS 9 "Financial Instruments" (effective 1 January 2013),
- IFRS 10 "Consolidated Financial Statements" (effective 1 January 2013),
- IFRS 11 "Joint Arrangements" (effective 1 January 2013),
- IFRS 12 "Disclosure of Interests in Other Entities" (effective 1 January 2013), and
- IFRS 13 "Fair Value Measurement" (Effective 1 January 2013)

The Directors are currently evaluating the impact of the adoption of these standards, amendments and interpretations in future periods.

Notes to financial statements

2. Profit / (loss) before taxation

Profit before taxation is stated after crediting

	2011 £'000	2010 £'000
Intercompany debt provision write back	-	443
Credit on forgiveness of amount due to Subsidiary	4,728	-

Audit fees

Amounts paid to the auditors for audit services of £10,500 (2010 £10,500) were borne by another Group subsidiary in 2011 and 2010. No amounts for other services have been paid to the auditors.

3. Employee benefits

The Company had no employees in the current year (2010 nil). In the year ended 30 June 2011, services were provided by employees of other companies within the Group with no charge being made for their services in either year.

4 Taxation

Reconciliation of total tax charge

The tax expense for the year is lower (2010 lower) than the blended rate of corporation tax in the UK (27.5%) applied to profit before tax. The applicable or substantively enacted effective rate of UK corporation tax for the year was 27.5% (2010 28%). The differences are explained below.

	2011 £'000	2010 £'000
Profit before tax	4,728	443
Profit before tax multiplied by the blended rate of corporation tax in the UK of 27.5% (2010 28%)	1,300	124
Effects of		
Non-taxable provision release	-	(124)
Non-taxable intercompany income	(1,300)	-
Prior year adjustment	-	(1)
Taxation	-	(1)

All taxation relates to UK corporation tax.

There are no unrecognised deferred tax assets.

Notes to financial statements

5 Investment in subsidiaries

Subscription for shares in subsidiaries

The movement in the year was as follows

	Shares £	2011 £	2010 £
Cost and funding			
Beginning of year	2	2	2
Disposal in year	(1)	(1)	-
End of year	1	1	2
Amounts provided			
Beginning of year	-	-	-
End of year	-	-	-
Net book value			
Beginning of year	2	2	2
End of year	1	1	2

Investment in subsidiaries shown above represent the cost of the shares of the wholly-owned subsidiary undertakings, less provisions made for any impairment in value

Details of the principal investments of the Company are as follows

Name	Country of incorporation	Description and proportion of shares held (%)	Principal activity
Direct holdings			
Oddschecker Services Ltd	UK	100% ordinary shares	Provision of internet based services

6 Trade and other receivables

	2011 £'000	2010 £'000
Amounts receivable from other Group companies	4,612	4,612
Amounts receivable from subsidiaries	2,533	1,870
	7,145	6,482

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

No interest is charged on amounts due from other Group companies or subsidiaries, which are repayable on demand

Within the Group, there is a concentration of risk within amounts receivable from other Group companies

Notes to financial statements

6 Trade and other receivables (continued)

Provisions for doubtful debts

	2011 £'000	2010 £'000
Balance at beginning of year	-	443
Income statement credit	-	(443)
Balance at end of year	-	-

7. Trade and other payables

	2011 £'000	2010 £'000
Amounts payable to other Group companies	720	721
Amounts payable to subsidiaries	-	4,064
	720	4,785

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

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

8 Financial risk management objectives and policies

The accounting classification of each class of the Company's financial assets and financial liabilities, together with their fair values, is as follows

	Loans and receivables £'000	Other liabilities £'000	Total carrying value £'000	Total fair values £'000
At 30 June 2011				
Trade and other payables	-	(720)	(720)	(720)
Trade and other receivables	7,145	-	7,145	7,145
At 30 June 2010				
Trade and other payables	-	(4,785)	(4,785)	(4,785)
Trade and other receivables	6,482	-	6,482	6,482

The Directors consider that the carrying amount of financial assets and liabilities at 30 June 2011 and 30 June 2010 approximates to their fair value

The Company's principal market risk is liquidity risk, which arises from the Company's intercompany balances

Notes to financial statements

8 Financial risk management objectives and policies (continued)

Liquidity risk

The Company's financial liabilities are shown in note 7

The following tables analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows

	Less than 12 months £'000	Between one and two years £'000	Between two and five years £'000	More than 5 years £'000
At 30 June 2011				
Trade and other payables	(720)	-	-	-
At 30 June 2010				
Trade and other payables	(4,785)	-	-	-

Capital risk management

The capital structure of the Company consists of equity attributable to equity holders of the parent Company, comprising issued capital, reserves and retained earnings

Risk and treasury management is governed by British Sky Broadcasting Group plc's policies approved by its Board of Directors

9. Share capital

	2011 £	2010 £
Allotted, called-up and fully paid		
122,769 (2010: 122,769) ordinary shares of 1p each	1,228	1,228

10 Notes to the Cash Flow Statement

Reconciliation of profit before taxation to cash generated from operations

	2011 £'000	2010 £'000
Profit before taxation	4,728	443
Decrease in payables	(4,065)	-
Increase in receivables	(663)	-
Cash generated from operations	-	443

Notes to financial statements

11 Transactions with related parties

The Company has related party transactions with other Group companies. In particular, it is normal practice 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 6 and 7. All amounts payable to other Group companies are non-interest bearing and repayable on demand.

12 Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of British Sky Broadcasting Group plc, a Company incorporated in the United Kingdom and registered in England and Wales. The Company is ultimately controlled by British Sky Broadcasting Group plc. The only group in which the results of the Company are consolidated is that headed by BSkyB.

The consolidated accounts of the Group are available to the public and may be obtained from the Company Secretary, British Sky Broadcasting Group plc, Grant Way, Isleworth, Middlesex TW7 5QD.