

Oddschecker Services Limited

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

Registered number 4047216



Directors and Officers

For the eighteen months ended 30 June 2007

Directors

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

D Annat (resigned 15 December 2007)

P Croton (appointed 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)

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 18 month period 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 software consultancy services and market research. There have not been any significant changes in the Company's activities in the 18 month 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 financial statements for the 18 months ended 30 June 2007 are set out on pages 6 to 22. The profit for the period was £210,000 (2005: £31,000 profit). The Directors do not recommend the payment of a dividend for the year ended 30 June 2007 (2005: nil). There have not been any significant changes in the Company's activities in the 18 months under review.

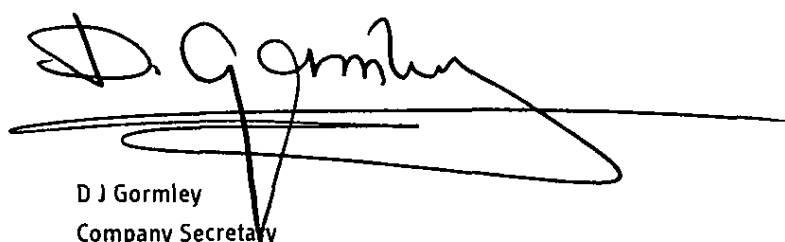
Disclosure of information to auditors

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 themselves aware of any relevant audit information and to establish that all 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,

A handwritten signature in black ink, appearing to read 'D J Gormley', is written over a horizontal line. The signature is stylized with a large loop at the end.

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

23 April 2008

Directors' report and responsibilities in respect of the Director's 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 period. 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 Oddschecker Services Limited

We have audited the financial statements of Oddschecker Services Limited for the 18 month 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.

Independent Auditors' Report to the Members of Oddschecker Services Limited

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 18 month 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
1 The Embankment
Neville Street
Leeds, LS1 4DW
Chartered Accountants, Registered Auditor
23 April 2008

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	2,166	868
Operating expense	3	(1,956)	(791)
Operating profit		210	77
Investment income		-	-
Profit before tax	4	210	77
Taxation	6	-	(46)
Profit for the period attributable to equity holders of the parent	13	210	31

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 period attributable to equity holders of the parent	210	31
Total recognised income and expense attributable to equity holders of the parent	210	31

Balance Sheet

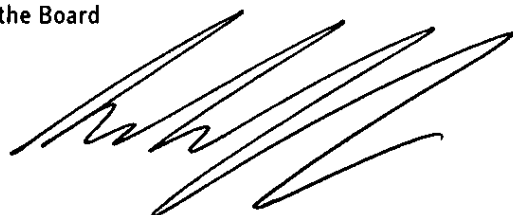
At 30 June 2007

	Notes	30 June 2007 £'000	31 December 2005 £'000
Non-current assets			
Intangible assets	7	387	145
Property, plant and equipment	8	30	47
		417	192
Current assets			
Trade and other receivables	10	2,118	2,435
Cash and cash equivalents		3,619	102
		5,737	2,537
Total assets		6,154	2,729
Current liabilities			
Trade and other payables	11	5,817	2,591
Non-current liabilities			
Deferred tax liability	9	-	11
Total liabilities		5,817	2,602
Net assets		337	127
Share capital	12	1	1
Retained earnings	13	336	126
Shareholders' equity attributable to equity holders of the parent	13	337	127

The accompanying notes are an integral part of this balance sheet

Signed on behalf of the Board

A Griffith
Director
23 April 2008



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	210	77
Depreciation of property, plant and equipment	35	26
Amortisation of intangible assets	173	14
Increase in trade and other receivables	(84)	(7)
Increase in trade and other payables	22	9
Cash generated from operations	356	119
Interest received	-	-
Net cash from operating activities	356	119
Cash flows from investing activities		
Purchase of property, plant and equipment	(18)	(25)
Capitalisation of intangible assets	(415)	(129)
Net cash used in investing activities	(433)	(154)
Cash flows from financing activities		
Receipts from loans to subsidiaries	3,594	124
Net cash from financing activities	3,594	124
Net increase (decrease) in cash and cash equivalents	3,517	89
Cash and cash equivalents at the beginning of the period	102	13
Cash and cash equivalents at the end of the period	3,619	102

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

Notes to financial statements

1 Accounting policies

Oddschecker Services 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.

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 period 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 period, 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 Company's 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:

- Revenues generated through the principle activities of software consultancy and market research are recognised in the period in which the service has been provided.

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.

Notes to financial statements

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.

l) Accounting estimates and judgements

Management believe that the key accounting judgement relates to the capitalisation and carrying value of staff development costs.

Notes to financial statements

2. Revenue

	18 months to 30 June 2007 £'000	12 months to 31 December 2005 £'000
Software consultancy services & market research	2,166	868

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	233	66
Administrative costs	1,723	725
	1,956	791

4. 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	35	26
Amortisation of intangible assets	173	14
Audit fees	10	-

Notes to financial statements

5. Employee benefits and key management compensation

a) Employee benefits for the Company during the period

	18 months to 30 June 2007 £'000	12 months to 31 December 2005 £'000
Wages and salaries	529	562
Social security costs	86	62
Contributions to the 365 Media Group Pension Plan ("the Pension Plan")	23	13
(i)		

(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 period.

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

	18 months to 30 June 2007 Number	12 months to 31 December 2005 Number
Consultants	15	15

Notes to financial statements

6 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 period	-	35
Deferred tax expense		
Recognition of previously unrecognised deferred tax asset	-	11
Total deferred tax	-	11
Tax charge in the period	-	46

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 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	210	77
Profit before tax multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	63	22
Effects of		
Capital allowances in excess of depreciation	38	(11)
Adjustments in respect of prior period	-	35
Group relief claimed for nil consideration	(101)	-
Taxation	-	46

All taxation relates to UK corporation tax.

Notes to financial statements

7. Intangible assets

	Staff development costs £'000
Cost	
At 1 January 2005	30
Additions	129
At 31 December 2005	159
Additions	415
At 30 June 2007	574
Amortisation	
At 1 January 2005	-
Amortisation	14
At 31 December 2005	14
Amortisation for the period	173
At 30 June 2007	187
Carrying amounts	
At 1 January 2005	30
At 31 December 2005	145
At 30 June 2007	387

Notes to financial statements

8. Property, plant and equipment

	Fixtures & Fittings £'000	Plant & Equipment £'000	Total £'000
Cost			
At 1 January 2005	92	7	99
Additions	25	-	25
At 31 December 2005	117	7	124
Additions	18	-	18
At 30 June 2007	135	7	142
Depreciation			
At 1 January 2005	49	2	51
Depreciation	24	2	26
At 31 December 2005	73	4	77
Depreciation	32	3	35
At 30 June 2007	105	7	112
Carrying amounts			
At 1 January 2005	43	5	48
At 31 December 2005	44	3	47
At 30 June 2007	30	-	30

Notes to financial statements

9. 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	-	(11)
	-	(11)

At 30 June 2007 there was a deferred tax asset of £40,000 (2005 £11,000) relating to the difference between capital allowances and depreciation to be charged on the company's assets. Although the Directors anticipate future trading profits in the company, the deferred tax asset has not been recognised. This is because there is insufficient evidence that these losses will be used in the future to meet the recognition criteria in IAS 12.

10 Trade and other receivables

	30 June 2007 £'000	31 December 2005 £'000
Gross trade receivables	85	4
Less: provision for impairment of receivables	(3)	(3)
Net trade receivables	82	1
Amounts receivable from other Group companies	2,001	2,403
Prepayments	-	2
Accrued income	20	-
Other receivables	15	29
	2,118	2,435

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.

Notes to financial statements

11. Trade and other payables

	30 June 2007 £'000	31 December 2005 £'000
Trade payables	-	4
Amounts owed to other Group companies	5,757	2,564
VAT	6	-
Accruals	47	23
Deferred income	7	-
	5,817	2,591

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.

12. Share capital

	30 June 2007 £'000	31 December 2005 £'000
Authorised		
1,000 (2005: 1,000) ordinary shares of £1.00 each	1	1
Allotted, called-up and fully paid		
1,000 (2005: 1,000) ordinary shares of £1.00 each	1	1

13. Reconciliation of shareholders' equity

	Share capital £'000	Retained earnings £'000	Total shareholders' equity £'000
At 1 January 2005	1	95	96
Profit for the year	-	31	31
At 31 December 2005	1	126	127
Period for the period	-	210	210
At 30 June 2007	1	336	337

14. Related Party Transactions

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 10 and 11. All amounts payable to other Group companies are non-interest bearing and repayable on demand.

Notes to financial statements

15 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.

16 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.