

MULTICULTURAL & ETHNIC MEDIA SALES LIMITED

Annual report and financial statements
For the year ended 30 June 2016

Registered number: 04952157



Directors and Officers

For the year ended 30 June 2016

Directors

Multicultural & Ethnic Media Sales Limited's (the "Company") present Directors and those who served during the year are as follows:

C R Jones

C J Taylor

K Holmes (appointed 21 October 2016)

Secretary

C J Taylor

Registered office

Grant Way

Isleworth

Middlesex

TW7 5QD

Auditor

Deloitte LLP

Chartered Accountants

London

United Kingdom

Strategic Report and Directors' Report

Strategic Report

The Directors present their Strategic Report and Directors' Report on the affairs of the Company, together with the financial statements and Auditor's Report for the year ended 30 June 2016.

The purpose of the Strategic Report is to inform members of the Company and help them assess how the directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the Company).

Business review and principal activities

The Company is a wholly-owned subsidiary of Sky UK Limited (the immediate parent company). The ultimate parent company is Sky plc ("Sky") and operates together with Sky's other subsidiaries, as part of the Sky Group ("the Group").

The Company ceased trading during the period ended 30 June 2014 and the financial statements have therefore been prepared on a basis other than that of a going concern. The Directors expect the company to be non-trading going forward.

Results

The audited accounts for the year are set out on pages 6 to 15. The profit for the year after taxation was £nil (2015: £307,862). Net assets at the balance sheet date were £617,957, nil movement from 30 June 2015.

Key performance indicators (KPIs)

The Group manages its operations on a divisional basis and the KPIs used are as reported in the Group Annual Report. The Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the Company.

Principal risks and uncertainties

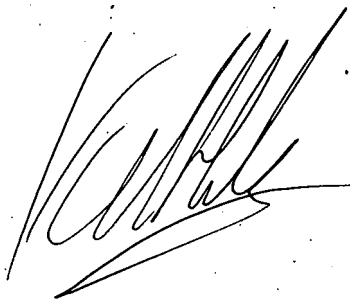
The Company's activities expose it to financial risks, namely credit risk, and liquidity risk.

Financial risk management objectives and policies

The use of financial derivatives is governed by the Group's treasury policy approved by the Board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

By Order of the Board,

K Holmes
Director



Grant Way
Isleworth
Middlesex
TW7 5QD

28 November 2016

Strategic Report and Directors' Report (continued)

Directors' Report

The Directors who served during the period are shown on page 1. The Directors do not recommend the payment of a dividend in the current year (2015: £nil).

The Company has chosen, in accordance with section 414C(11) of Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic Report which otherwise would be required to be disclosed in the Director's report.

Going concern basis

The Company ceased trading during the period ended 30 June 2014. For this reason the directors have adopted a basis other than going concern since the entity no longer has trading activity.

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:

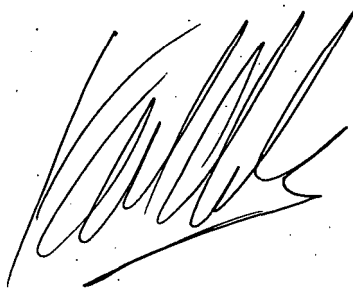
- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information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

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them was approved by the Board of Directors on 28 November 2016.

By Order of the Board,

K Holmes
Director

Grant Way
Isleworth
Middlesex
TW7 5QD



28 November 2016

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 the Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101). 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, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 Multicultural & Ethnic Media Sales Limited

We have audited the financial statements of Multicultural & Ethnic Media Sales Limited for the year ended 30 June 2016 which comprises the Profit and loss account, the Balance sheet, the Statement of changes in equity and related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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 that they give a true and fair view. Our responsibility is to audit and express an opinion on 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 Company's affairs as at 30 June 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly 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 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic and Directors' Report.

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.



Paul Franek FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

28 November 2016

Profit and loss account

For the year ended 30 June 2016

	Notes	Total 2016 £	Total 2015 £
Other operating income	3	-	366,435
Operating expenses	4	-	(58,573)
Profit on ordinary activities before taxation	5	-	307,862
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	10	-	307,862

The accompanying notes are an integral part of this profit and loss account. All prior year trading qualifies as discontinued operations under the criteria of FRS 3.

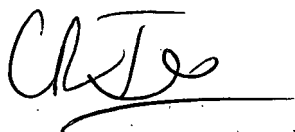
There were no other recognised gains or losses in the current year and preceding year; accordingly a Statement of Comprehensive Income has not been presented.

Balance Sheet

As at 30 June 2016

	Notes	2016 £	2015 £
Current assets			
Debtors	7	617,957	-
Cash at bank and in hand		-	999,523
		<u>617,957</u>	<u>999,523</u>
Creditors: Amounts falling due within one year	8	-	(381,566)
Net assets		<u>617,957</u>	<u>617,957</u>
Total assets less current liabilities		<u>617,957</u>	<u>617,957</u>
Capital and reserves			
Called-up share capital	9	144	144
Profit and loss account	10	617,813	617,813
Total shareholders' funds		<u>617,957</u>	<u>617,957</u>

These financial statements of Multicultural & Ethnic Media Sales Limited, registered number 04952157 were approved by the Board of Directors on 28 November 2016 and were signed on its behalf by:



C R Jones
Director,

28 November 2016

Statement of Changes in Equity

For the year ended 30 June 2016

	Share capital	Profit and loss account	Total
	£	£	£
Balance at 1 July 2014	144	309,951	310,095
Profit for the period	-	307,862	307,862
Total comprehensive income for the period	-	307,862	307,862
Balance at 30 June 2015	144	617,813	617,957
Profit for the period	-	-	-
Total comprehensive income for the period	-	-	-
Balance at 30 June 2016	144	617,813	617,957

Notes to the financial statements

1. General information

Multicultural & Ethnic Media Sales Limited (the Company) is a limited liability Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 4.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has not applied the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

2. Significant accounting policies

Company Multicultural & Ethnic Media Sales Limited (the "Company") is a limited liability incorporated in the United Kingdom and registered in England and Wales.

a) Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council. Accordingly, in the year ended 30 June 2016 the Company has changed its accounting framework from pre-2015 UK GAAP to FRS 101 and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements have therefore been prepared in accordance with FRS 101.

Explanation of transition to FRS 101

This is the first year that the Company has presented its financial statements under FRS 101. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP (pre-2015 UK GAAP) were for the year ended 30 June 2015 and the date of transition to FRS 101 was therefore 1 July 2014.

Reconciliation of equity

Note	At 1 July 2014	At 30 June 2015
	£	£
Equity reported under previous UK GAAP	310,095	617,957
Adjustment	-	-
Equity reported under FRS 101	<u>310,095</u>	<u>617,957</u>

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

a) Basis of accounting (continued)

Reconciliation of total comprehensive income for the year ended 30 June 2015

Note

Total comprehensive income for the financial year under previous UK GAAP	307,862
Adjustment	-
Total comprehensive income for the financial year under FRS 101	<u>307,862</u>

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, financial instruments, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of Sky plc. The group accounts of Sky plc are available to the public and can be obtained as set out in note 12.

The financial statements have been prepared on the historical cost basis, except for the remeasurement to fair value of certain financial assets and liabilities at the end of each reporting period as described in the accounting policies below.

The Company maintains a 52 or 53 week fiscal year ending on the Sunday nearest to 30 June in each year. In fiscal year 2016, this date was 3 July 2016 this being a 53 week year (fiscal year 2015: 28 June 2015, 52 week year). For convenience purposes, the Company continues to date its financial statements as at 30 June. The Company has classified assets and liabilities as current when they are expected to be realised in, or intended for sale or consumption in, the normal operating cycle of the Company.

The principal accounting policies adopted are set out below:

b) Going concern

As explained in the Directors' report, the Company ceased trading in the period to 30 June 2014. As such the accounts have been prepared on a basis other than going concern (please refer to the Directors' Report for further details).

c) Foreign currencies

The financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

c) Foreign currencies (continued)

prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into to hedge certain foreign currency risks.

d) Operating profit

Operating profit is stated after charging restructuring costs but before investment income and finance costs.

e) Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

e) Taxation (continued)

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively

f) 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 the original invoice amount. 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 Profit and Loss Account.

g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank accounts, deposits receivable on demand and deposits with maturity dates of three 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 also included as a component of cash and cash equivalents where offset conditions are met.

h) 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.

i) Judgements

No significant judgements have been made in the process of applying the entity's accounting policies.

j) Accounting Standards, interpretations and amendments to existing standards that are 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 accounting periods beginning on or after 1 July 2016 or later periods.

These new pronouncements are listed below:

- Amendments to IAS 1 'Disclosure Initiative' (effective 1 January 2016)
- Annual Improvements 2012-2014 cycle (effective 1 July 2016)

Notes to the financial statements (continued)

3. Other Operating Income

	Year ended 2016 £	Year ended 2015 £
Income	-	215,368
Release of accruals and other	-	151,067
	<u>-</u>	<u>366,435</u>

In the prior year, turnover has been generated through an intercompany cost-recharge mechanism of costs at 5% mark-up.

4. Operating Expense

	Year ended 2016 £	Year ended 2015 £
Administration	-	58,573
	<u>-</u>	<u>58,573</u>

5. Profit on ordinary activities before taxation

There were no staff costs during the year as the Company had no employees (2015: £nil). The Directors did not receive any remuneration during the year in respect of their services to the Company (2015: £nil).

Amounts paid to the auditor for audit services in the period of £12,500 (2015: £12,500) were borne by another Group subsidiary in 2016. No other fees have been paid to the auditors in the year.

Notes to the financial statements (continued)

6. Tax

Reconciliation of effective tax rate

The tax expense for the year is equal (2015: lower) than the expense that would have been charged/(credited) using the blended rate of corporation tax in the UK (20%) applied to profit before tax. The differences are explained below:

	Year ended 30 June 2016	Year ended 30 June 2015
	£	£
Profit before tax	-	307,862
Profit before tax multiplied by blended rate of corporation tax in the UK of 20% (2015: 20.75%)	-	63,881
Effects of:		
Non-deductible expense	-	-
Origination and reversal of temporary differences	-	-
Adjustment in respect of prior periods	-	-
Group relief claimed for no consideration	-	(63,881)
Current tax	-	-

7. Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	617,957	-
	617,957	-

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. These balances are non-interest bearing and repayable on demand.

8. Creditors

	2016	2015
	£	£
Amounts falling due within one year		
Amounts owed to group undertakings	-	370,486
Other creditors	-	11,080
	-	381,566

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

Amounts owed to parent company are non-interest bearing and are repayable on demand.

Notes to the financial statements (continued)

9. Share capital

	2016	2015
	£	£
Issued, fully paid and authorised:		
144 (2015: 144) ordinary shares of £1 (2015: £1) each	<u>144</u>	<u>144</u>
	<u>144</u>	<u>144</u>

The Company has one class of ordinary shares which carry no right to fixed income.

10. Transactions with related parties and major shareholders

The Company has taken advantage of the exemption given by International Accounting Standard 24 "Related Party Disclosures" not to provide further details of the transactions with fellow wholly-owned Group undertakings or Sky plc's joint ventures, as it is a wholly owned subsidiary of Sky plc and disclosures of such transactions are made in the consolidated accounts of the Group, which are publicly available.

11. Controlling party

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is Sky plc, a company incorporated in the United Kingdom and registered in England and Wales. The parent undertaking of the largest and smallest group, which includes the Company and for which group accounts are prepared, is Sky plc. Copies of the group financial statements of Sky plc are available from the Company Secretary, Sky plc, Grant Way, Isleworth, Middlesex TW7 5QD. The immediate controlling party is Sky UK Ltd.