

MULTICULTURAL & ETHNIC MEDIA SALES LIMITED

Annual report and financial statements
For the year ended 30 June 2015

Registered number: 04952157

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COMPANIES HOUSE

Directors and Officers

For the year ended 30 June 2015

Directors

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

C R Jones

C J Taylor

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 2015.

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 ("Sky UK Ltd" formerly British Sky Broadcasting Limited) (the immediate parent company). The ultimate parent company is Sky plc ("Sky", formerly known as British Sky Broadcasting Group plc) and operates together with Sky's other subsidiaries, as part of the Sky Group ("the Group").

The Company ceased trading during the prior period ended 30 June 2014 and the financial statement 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.

The Company is a wholly-owned subsidiary of Sky UK Limited and operates together with Sky's other subsidiaries as part of Sky plc "Group".

Results

The audited accounts for the year are set out on pages 7 to 13. Current year results are from 1 July 2014 to 30 June 2015 and comparative numbers are from 1 January 2014 to 30 June 2014. The profit for the year after taxation was £307,862 (2014: £70,399). Net assets at the balance sheet date were £617,957, an increase of £307,862 from £310,095 at 30 June 2014.

Key performance indicators (KPIs)

The Group manages its operations on a divisional basis. For this reason, 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.

Credit risk

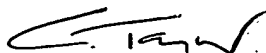
The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Strategic report and Directors' Report (continued)

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 £1 billion revolving credit facility which is due to expire on 30 November 2020. The Company benefits from this liquidity through intra-group facilities and loans.

By Order of the Board,



C J Taylor
Company Secretary
Grant Way
Isleworth
Middlesex
TW7 5QD

10 December 2015

Strategic Report and Directors' Report (continued)

Director's 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 (2014: £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 a 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 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 have expressed their willingness to continue as auditor and a resolution to reappoint them was approved by the Board of Directors on 10 December 2015.

By Order of the Board,



C J Taylor
Company Secretary

Grant Way
Isleworth
Middlesex
TW7 5QD

10 December 2015

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 2015 which comprises the Profit and loss account, the Balance sheet and related notes 1 to 12. 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).

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 2015 and of its profit 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 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

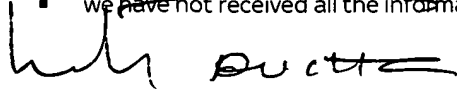
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period 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
10 December 2015

Profit and loss account

For the year ended 30 June 2015

		Year ended	Period from 1
		30 June 2015	January 2014 to
			30 June 2014
	Notes	£	£
Discontinued Operations			
Turnover	2	-	185,130
Cost of sales		-	-
Gross profit		-	185,130
Other income	3	366,435	-
Operating expenses	4	(58,573)	(113,457)
Profit on ordinary activities before taxation	5	307,862	71,673
Tax on profit on ordinary activities	6	-	(1,274)
Profit on ordinary activities after taxation	10	307,862	70,399

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

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

Balance Sheet

As at 30 June 2015

	Notes	2015 £	2014 £
Current assets			
Debtors	7	-	91,240
Cash at bank and in hand		999,523	904,239
		999,523	995,479
Creditors: Amounts falling due within one year	8	(381,566)	(685,384)
Net assets		617,957	310,095
Capital and reserves			
Called-up share capital	9	144	144
Profit and loss account	10	617,813	309,951
Total shareholders' funds		617,957	310,095

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

These financial statements of Multicultural & Ethnic Media Sales Limited, registered number (04952157) were approved by the Board of Directors on 10 December 2015 and were signed on its behalf by:



C R Jones
Director,

10 December 2015

Notes to the financial statements

1. Accounting policies

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

a) Basis other than going concern

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

b) Cash flow statement

The Company has taken advantage of the exemption from the requirements of FRS 1 (Revised) to present a cash flow statement, because it is ultimately a wholly-owned subsidiary of Sky plc, which prepares consolidated accounts which are publicly available (see note 11).

c) Turnover

In the prior year, turnover has been generated through an intercompany cost recharge mechanism.

d) Debtors

Trade and other debtors are stated at their recoverable amount. A provision is made when the amount receivable is not considered recoverable and the full amount is written off when the probability for recovery of a balance is assessed as being remote.

e) Taxation

The Company's liability for current tax is based on taxable profits for the period, and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

f) Deferred taxation

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 profits. 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.

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 profit and loss account, 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 tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

g) Creditors

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

Notes to the financial statements (continued)

2. Turnover

In the prior year, the whole of the turnover for the 6 month period is attributable to an intercompany recharge of costs at 5% mark-up.

3. Other Income

	Year ended 30 June 2015	Period from 1 January 2014 to 30 June 2014
	£	£
Income	215,368	-
Release of accruals and other	151,067	-
	366,435	-

4. Operating Expense

	Year ended 30 June 2015	Period from 1 January 2014 to 30 June 2014
	£	£
Administration	58,573	113,457
	58,573	113,457

5. Profit on ordinary activities before taxation

There were no staff costs during the year as the Company had no employees (2014: none). Services are provided by employees of other companies within the Group, with no charge being made for their services (2014: £none). The Directors did not receive any remuneration during the year in respect of their services to the Company (2014: £none).

Amounts paid to the auditor for audit services in the period of £12,500 (2014: £12,500) were borne by another Group subsidiary in 2015. No other fees have been paid to the auditors in the year.

Notes to the financial statements (continued)

6. Tax

a) Tax recognised in the profit and loss account

	Year ended 30 June 2015	Period from 1 January 2014 to 30 June 2014
	£	£
Current tax expense		
Current year	-	-
Adjustment in respect of prior periods	-	(14,029)
Total current tax credit	-	(14,029)
Deferred tax expense		
Origination and reversal of temporary differences	-	1,970
Adjustment in respect of prior periods	-	13,333
Total deferred tax charge	-	15,303
Tax expense in period	-	1,274

b) Reconciliation of effective tax rate

The tax expense for the year is lower (2014: lower) than the expense that would have been charged/(credited) using the blended rate of corporation tax in the UK (20.75%) applied to profit before tax. The differences are explained below:

	Year ended 30 June 2015	Period from 1 January 2014 to 30 June 2014
	£	£
Profit before tax	307,862	71,673
Profit before tax multiplied by blended rate of corporation tax in the UK of 20.75% (2014: 21.99%)	63,881	77,249
Effects of:		
Non-deductible expense	-	-
Origination and reversal of temporary differences	-	(2,166)
Adjustment in respect of prior periods	-	(14,029)
Group relief claimed for no consideration	(63,881)	(13,598)
Current tax	-	(14,029)

Notes to the financial statements (continued)

7. Debtors

	2015	2014
	£	£
Amounts falling due within one year		
Trade debtors	-	73,599
Other debtors	-	17,641
	-	91,240

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

8. Creditors – amounts falling due within one year

	2015	2014
	£	£
Trade creditors	-	302,749
Amounts owed to parent company	370,486	261,147
Corporation tax	-	102,399
Other creditors	11,080	19,089
	381,566	685,384

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.

9. Share capital

	2015	2014
	£	£
Allotted, called-up and fully paid		
144 (2014: 144) ordinary shares of £1 (2014: £1) each	144	144

10. Reconciliation of movements in shareholder's funds

	Share capital	Profit and loss account	Total equity shareholder's funds
	£	£	£
At 1 January 2014	144	239,552	239,696
Profit for the financial period	-	70,399	70,399
At 30 June 2014	144	309,951	310,095
Profit for the financial period	-	307,862	307,862
At 30 June 2015	144	617,813	617,957

Notes to the financial statements (continued)

11. Transactions with related parties and major shareholders

The Company has taken advantage of the exemption given by Financial Reporting Standard 8 "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.

12. Ultimate parent undertaking

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

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