Sky Poker Limited

Report and Financial Statements for the year ended 30 June 2008

Registered number: 5349114

Directors and Officers
For the year ended 30 June 2008

Directors

Sky Poker Limited's ("the Company"'s) present Directors and those who served during the period are as follows:

J R Murdoch (resigned 27 May 2008)
D J Darroch
A J Griffith (appointed 27 May 2008)

Secretary

D J Gormley

Registered office

Grant Way
Isleworth
Middlesex
TW7 5QD

Auditors

Deloitte LLP
Chartered Accountants
London

Directors' Report

The Directors present their Report on the affairs of the Company, together with the Financial Statements and Independent Auditors' Report, for the year ended 30 June 2008.

Business review and principal activity

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

The Company's purpose is to act as a holding company. The Directors expect that there will be no major changes in the Company's activities in the following year.

There have been no significant events since the period end.

Results for the year

The audited financial statements for the year ended 30 June 2008 are set out on pages 5 to 12. The profit for the period was £15 (30 June 2007: £27). The balance sheet shows that the Company's shareholders' equity position at the end of the period was £1,072 (30 June 2007: £1,057). The Directors do not recommend the payment of a dividend.

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 business.

Principal risks and uncertainties

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

Directors

The Directors who served throughout the period are shown on page 1.

Financial instruments

Details of the Company's use of financial instruments can be found in the notes to the financial statements.

Auditors

In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware; and
- each of the Directors has taken all the steps that he/she ought to have taken as Director to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.
The Directors have passed an elective resolution dispensing with the requirement to annually reappoint an auditor for the Company.

By order of the Board,

D. Gormley

D J Gormley
Company Secretary

Grant Way
Isleworth
Middlesex
TW7 5QD
18 December 2008

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. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- 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 proper accounting records that 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 1985. 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.

Independent Auditors' Report to the Members of Sky Poker Limited

We have audited the financial statements of Sky Poker Limited for year ended 30 June 2008 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 10. 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 auditors' 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 Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.
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 are 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 whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Financial Statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 June 2008 and of its profit for the year 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.

Separate opinion in relation to IFRS
As explained in Note 1 to the financial statements, the company in addition to complying with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board.
In our opinion the financial statements give a true and fair view, in accordance with IFRSs, of the state of the company's affairs as at 30 June 2008 and of its profit for the year then ended.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

18 **December 2008**

Income Statement for the year ended 30 June 2008

	Notes	**2008**	2007
		£	£
Investment income	2	**15**	27
Profit before tax	3	**15**	27
Taxation	4	-	-
Profit for the period		15	27

There was no recognised income or expense in either year other than that included within the income statement. All results relate to continuing operations.

The accompanying notes are an integral part of this income statement.

Statement of changes in equity for the year ended 30 June 2008

	Share capital	**Retained earnings**	**Total shareholders' equity**
	£	**£**	**£**
At 1 July 2006	1,000	30	1,030
Profit for the year		27	27
At 30 June 2007	**1,000**	**57**	**1,057**
Profit for the year		15	15
At 30 June 2008	**1,000**	**72**	**1,072**

Balance Sheet as at 30 June 2008

	Note	2008 £	2007 £
Current assets			
Amounts owed by other Group companies	5	**1,072**	-
Cash and cash equivalents		-	1,057
Total assets		**1,072**	1,057
Shareholders' equity		**1,072**	1,057
Total liabilities and shareholders' equity		**1,072**	1,057

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

These financial statements have been approved by Board of Directors on December 2008 and signed on its behalf by:

A J Griffith
Director

18 December 2008

Cash Flow Statement for the year ended 30 June 2008

	Note	Year to 30 June 2008 £	Year to 30 June 2007 £
Cash flows from operating activities			
Cash (used in)/ generated from operating activities	7	(1,057)	27
Net cash (used in)/from operating activities		**(1,057)**	27
Net (decrease)/increase in cash and cash equivalents		**(1,057)**	27
Cash and cash equivalents at the beginning of the year		**1,057**	1,030
Cash and cash equivalents at the end of the year		**-**	1,057

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

1 Accounting policies

Sky Poker Limited (the 'Company') is a limited liability company incorporated in England and Wales, and domiciled in the United Kingdom ('UK').

a) Statement of compliance

These financial statements are prepared in accordance with IFRS (including International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board ("IASB") and its committees) as adopted for use in the European Union ("EU"), the Companies Act 1985 and as issued by the IASB.

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 the going concern basis.

The Company maintains a 52 or 53 week fiscal year ending on the Sunday nearest to 30 June in each year. In fiscal year 2008 this date was 29 June 2008, this being a 52 week year (fiscal year 2007: 1 July 2006, 52 week year). For convenience purposes, the Company continues to date its financial statements as of 30 June 2008.

c) Investments in subsidiaries

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

d) 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.

In the current year, the Company adopted IFRS 7 "Financial Instruments: Disclosures" which is effective for annual reporting periods beginning on or after 1 January 2007, and the consequential amendments to IAS 1 "Presentation of Financial Statements".

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, 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.

e) 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 and non-current assets 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.

e) Impairment (continued)

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 if no impairment loss had been recognised.

f) 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.
The standard rate of corporation tax has changed from 30% to 28% in the UK with effect from 1 April 2008.

g) Critical accounting policies and the use of judgement

There are no accounting policies which 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.

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 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:

- IFRIC 12 "Service Concession Arrangements" (effective from 1 January 2008).
- IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective from 1 January 2008).
- IFRIC 13 "Customer Loyalty Programmes" (effective from 1 July 2008).
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" (effective from 1 October 2008).
- IAS 1 (revised) "Presentation of Financial Statements" (effective from 1 January 2009).
- IAS 32 "Financial Instruments: Presentation" (effective 1 January 2009).
- Amendment to IAS 23 "Borrowing Costs" (effective from 1 January 2009).
- IFRS 8 "Operating Segments" (effective from 1 January 2009).
- IFRIC 15 "Agreements for the Construction of Real Estate" (effective from 1 January 2009).
- Amendments to IFRS 2 "Share-Based Payments" (effective from 1 January 2009).
- Amendments to IFRS 1."First Time Adoption of International Financial Reporting Standards" (effective 1 January 2009).
- IFRS 3 "Business Combinations" (effective from 1 July 2009).
- IAS 27 "Consolidated & Separate Financial Statements" (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.

2. Investment income

	Year to 30 June 2008 £	Year to 30 June 2007 £
Investment income		
Bank interest received	**15**	27

3. Profit before taxation

There were no staff costs during the year as the Company had no employees (30 June 2007: nil). Services are provided by employees of other companies within the Group with no charge being made for their services (30 June 2007: £nil). The Directors did not receive any remuneration during the year in respect of their services to the Company (30 June 2007: £nil).

Amounts paid to the auditors for audit services of £6,500 (2007: £5,250) were borne by another Group subsidiary in 2008 and 2007. No amounts for other services have been paid to the auditors.

4. Taxation

a) Analysis of credit in year

No taxation charge was recognised in the year ended 30 June 2008.

b) Factors affecting the tax charge for the year

The tax charge for the year is lower (2007 credit: lower) than the blended rate of corporation tax in the UK of 29.5% (2007: 30%). The differences are explained below:

	2008 £	2007 £
Profit before tax	**15**	27
Profit before tax multiplied by blended rate of corporation tax in the UK of 29.5% (2007: 30%)	**4**	8
Effects of:		
Group relief received for no consideration	**(4)**	(8)
Tax (credit)/charge for the year	**-**	-

5. Trade and other receivables

	2008	2007
	£	£
Amounts owed by fellow subsidiary undertakings	**1,072**	-

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

Amounts owed by fellow subsidiary undertakings are non-interest bearing and repayable on demand.

6. Financial risk management objectives and policies

The Company's principal financial instruments comprise trade receivables.

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

	Loans and receivables	Other liabilities	Total carrying value	Total fair values
	£	£	£	£
At 30 June 2007				
Trade and other receivables	-		-	-
Cash and cash equivalents	1,057		1,057	1,057
At 30 June 2008				
Trade and other receivables	1,072		1,072	1,072
Cash and cash equivalents	-	-	-	-

At 30 June 2008, the carrying value of financial assets that were, upon initial recognition, designated as financial assets at fair value through profit or loss, was nil (2007: nil).

7. Notes to the cash flow statements

Reconciliation of profit before tax to cash generated from operations

	2008 £	2007 £
Profit before tax	**15**	27
Increase in trade receivables	**(1,072)**	-
Cash (used in) generated from operations	**(1,057)**	27

8. Share capital

	2008 £	2007 £
Authorised		
1,000 ordinary shares of £1 each	**1,000**	**1,000**
Allotted, called-up and fully paid		
1,000 ordinary shares of £1 each	**1,000**	**1,000**

9. Related party transactions

Details of amounts owed by related parties to the Company are given in note 5.

10. 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.

The consolidated financial statements of this 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.