SKY HOLDINGS LIMITED

Annual report and financial statements
For the year ended 30 June 2013

Registered number 05585009

Directors and Officers

For the year ended 30 June 2013

Directors

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

D J Darroch (resigned 8 January 2013)
A J Griffith (resigned 8 January 2013)
C R Jones (appointed 8 January 2013)
C J Taylor (appointed 8 January 2013)

Secretary

D J Gormley (resigned 9 November 2012)
C J Taylor (appointed 9 November 2012)

Registered office

Grant Way
Isleworth
Middlesex
TW7 5QD
United Kingdom

Directors' Report

The Directors present their Annual Report on the affairs of the Company, together with the financial statements for the year ended 30 June 2013

Business review and principal activities

The Company is a wholly-owned subsidiary of BSkyB Finance UK plc, and is ultimately controlled by British Sky Broadcasting Group plc ("BSkyB") and operates together with BSkyB's other subsidiaries as a part of the Group ("the Group")

The Company's principal activity is to act as a holding company The Company wholly owns 365 Media Group Limited ("365 Media") and the Group's investment in ITV plc ("ITV") 365 Media was previously involved in the provision of on-line gaming, it is now non-trading after having transferred its business to British Sky Broadcasting Limited in the year The Directors do not anticipate any changes to the Company's principal activity for the foreseeable future

The accounts for the year ended 30 June 2013 are set out on pages 5 to 17 The profit for the year was £27 million (2012 loss of £134 million), which was driven by £19 million in dividends from ITV and a £18 million dividend from 365 Media Limited offset by finance costs in relation to interest bearing inter-company loans

During the year the Company disposed of its investment in BSkyB LLU Assets Limited to BSkyB Finance UK plc for consideration of £226 million, resulting in a profit on disposal of £nil

The Directors do not recommend the payment of a dividend for the year ended 30 June 2013 (2012 £nil) The balance sheet shows that the Company's shareholder's equity position at the end of the year was £399 million (2012 £187 million), with the change in financial position being largely driven by the movement in the available-for-sale reserve

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 The Company is also exposed to risk through the performance of its investments, which are subject to impairment risk

The Directors do not believe the Company is exposed to significant cash flow risk, price risk, interest rate risk or foreign exchange 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 Refer to note 11 for further information

Credit risk

The balance sheet of the Company includes inter-company balances and the Company is therefore exposed to credit risk on these balances The Company reviews these balances for recoverability at each balance sheet date

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 £743 million revolving credit facility which is due to expire on 31 October 2018 The Company benefits from this liquidity through intra-group facilities and loans

Impairment risk

The balance sheet of the Company includes investments in subsidiaries and the Company is therefore exposed to impairment risk on these investments Impairment risk is managed through review of the underlying business performance of the subsidiaries as part of the Group's annual reporting procedures

Going concern

The Company's business activities, together with the factors likely to affect its future development and performance are set out in the Business Review The Directors' Report details the financial position of the Company, as well as the Company's objectives and policies, and details of its exposures to credit risk and liquidity risk

After making enquiries, the Directors have formed a judgement at the time of approving the financial statements that the Company will have access to adequate resources to continue in existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Directors

The Directors who served during the period are shown on page 1

By Order of the Board,

C J Taylor

C J Taylor
Company Secretary

Grant Way
Isleworth
Middlesex
TW7 5QD
6 December 2013

Statement of Directors' responsibilities

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

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

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

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

The member has not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006

Income Statement

For the year ended 30 June 2013

	Notes	2013 £m	2012 £m
Dividend income	2	**37**	5
Impairment of investment in subsidiary	5	**-**	(105)
Finance costs	2	**(10)**	(34)
Profit (Loss) before tax	3	**27**	(134)
Tax	4	**-**	-
Profit (Loss) for the year attributable to equity shareholder		**27**	(134)

The accompanying notes are an integral part of this Income Statement

All results relate to continuing operations

Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	2013 £m	2012 £m
Profit (Loss) for the year attributable to equity shareholder		**27**	(134)
Other comprehensive income			
Amounts recognised directly in equity			
Gain on revaluation of available-for-sale investment	5	**186**	8
Other comprehensive income for the year		**186**	8
Total comprehensive income (loss) for the year attributable to equity shareholder		**213**	(126)

The accompanying notes are an integral part of this Statement of Comprehensive Income

All results relate to continuing operations

Balance Sheet

As at 30 June 2013

	Notes	2013 £m	2012 £m
Non-current assets			
Investment in subsidiaries	5	-	226
Available-for-sale investments	5	**409**	223
		409	449
Current assets			
Trade and other receivables	6	**79**	34
Total assets		**488**	483
Current liabilities			
Trade and other payables	7	**45**	38
Non-current liabilities			
Trade and other payables	8	**43**	258
Total liabilities		**88**	296
Share capital	9	-	-
Share premium	9	-	-
Reserves		**400**	187
Total equity attributable to equity shareholder		**400**	187
Total liabilities and shareholder's equity		**488**	483

The accompanying notes are an integral part of this Balance Sheet

The Company has no cash and cash equivalents Accordingly, no cash flow statement or reconciliation of operating profit to cash flows from operating activities has been prepared

For the year ended 30 June 2013 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements of Sky Holdings Limited, registered number 05585009 were approved by the Board of Directors on 6 December 2013 and were signed on its behalf by

C R Jones

Director

6 December 2013

Statement of Changes in Equity

For the year ended 30 June 2013

	Share capital £m	Share premium £m	Available-for-sale reserve £m	Retained earnings £m	Total shareholder's (deficit) equity £m
At 1 July 2011	**-**	**500**	**157**	**(914)**	**(257)**
Loss for the year	-	-	-	(134)	(134)
Share premium reduction	-	(500)	-	500	-
Share issue	570	-	-	-	570
Share reduction	(570)	-	-	570	-
Revaluation of available-for-sale investment	-	-	8	-	8
At 30 June 2012	**-**	**-**	**165**	**22**	**187**
Profit for the year	-	-	-	27	27
Revaluation of available-for-sale investment	-	-	186	-	186
At 30 June 2013	**-**	**-**	**351**	**49**	**400**

Notes to the financial statements

1. Accounting policies

Sky Holdings Limited (the "Company") is a limited liability company incorporated in the United Kingdom, and registered in England and Wales

a) Statement of compliance

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

b) Basis of preparation

The financial statements have been prepared on a going concern basis (as set out in the Directors' Report) and on a historical cost basis, except for the remeasurement to fair value of financial instruments as described in the accounting policies below The Company has adopted the new accounting pronouncements which became effective this period, none of which had any significant impact on the Company's results or financial position

The Company maintains a 52 or 53 week fiscal year ending on the Sunday nearest to 30 June in each year In fiscal year 2013, this date was 30 June 2013, this being a 52 week year (fiscal year 2012 1 July 2012, 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 Company has taken advantage of the exemption from preparing the consolidated accounts afforded by section 400 of the Companies Act 2006, because it is a wholly-owned subsidiary of British Sky Broadcasting Group plc ("BSkyB") which prepares consolidated accounts which are publicly available (see note 13)

c) Financial assets and liabilities

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

i. Available-for-sale investments

Equity investments intended to be held for an indefinite period of time are classified as available-for-sale investments They are carried at fair value, where this can be reliably measured, with movements in fair value recognised directly in the available-for-sale reserve Where the fair value cannot be reliably measured, the investment is carried at cost

Any impairment losses in equity investments classified as available-for-sale investments are recognised in the Income Statement and are not reversible through the Income Statement, and are determined with reference to the closing market share price at the balance sheet date Any subsequent increase in the fair value of the available-for-sale investment above the impaired value will be recognised within the available-for-sale reserve

Available-for-sale investments are included within non-current assets unless the carrying value is expected to be recovered principally through sale rather than continuing use, in which case they are included within current assets On disposal, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had previously been recognised directly in reserves is recognised in the Income Statement

Notes to the financial statements

1. Accounting policies (continued)

c) Financial assets and liabilities (continued)

ii. 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

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

d) Investment in subsidiaries

An investment in a subsidiary is recognised at cost less any provision for impairment As permitted by section 133 of the Companies Act 2006, where the relief recorded under section 131 of the Companies Act 2006 applies, cost is the aggregate of the nominal value of the relevant number of the Company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings

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 excluding financial assets (see accounting policy c) and deferred tax (see accounting policy f) to determine whether there is any indication that any of those assets have suffered an impairment loss

An impairment is recognised in the Income Statement whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount The recoverable amount is the greater of net selling price, defined as the fair value less costs to sell, and value in use In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amount of assets in the unit on a pro-rata basis

An impairment loss for an individual asset or cash generating unit shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

Notes to the financial statements

1. Accounting policies (continued)

f) Tax, including deferred tax

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

Deferred tax assets and liabilities are recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit Temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit are not provided for Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that have been enacted or substantively enacted at the balance sheet date

The carrying amount of deferred tax assets is reviewed at each balance sheet date and adjusted to reflect an amount that is probable to be realised based on the weight of all available evidence Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset is realised Deferred tax assets and liabilities are not discounted Deferred tax is charged or credited in the Income Statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also included within equity Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis

g) Critical accounting policies and use of judgement

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

The Directors consider that the Company's critical accounting policy is determining the carrying value of its available-for-sale investments, and its investments in subsidiaries (see note 5)

The key areas of judgement in respect of these investments are the assessment of whether there is objective evidence that a loss event has occurred after initial recognition of the investment, and whether such a loss event has a reliably measurable impact on the estimated future cash flows of the investment At each balance sheet date, management considers whether there is objective evidence that a loss event has occurred and whether it has had an impact on the estimated future cash flows of the available-for-sale investment or investment in subsidiary If a loss event has occurred, management would then consider whether an impairment loss has occurred and the quantum of that loss

Notes to the financial statements

1. Accounting policies (continued)

h) 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 our accounting periods beginning on or after 1 July 2013 or later periods These new pronouncements are listed below

- IFRS 12 "Disclosure of Interests in Other Entities" (effective 1 January 2013),
- IFRS 13 "Fair Value Measurement" (effective 1 January 2013) ,
- Amendment to IAS 19 "Employee Benefits" (effective 1 January 2013),
- Amendment to IAS 27 "Separate Financial Statements" (effective 1 January 2013),
- Amendment to IAS 28 "Investments in Associates and Joint Ventures" (effective 1 January 2013),
- Amendments to IFRS 7 "Financial Instruments Disclosures – Offsetting Financial Assets and Financial Liabilities" (effective 1 January 2013),
- Amendments to IAS 32 "Financial Instruments Presentation – Offsetting Financial Assets and Financial Liabilities" (effective 1 January 2014), and
- IFRS 9 "Financial Instruments" (effective 1 January 2015)

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

2. Investment Income and Finance costs

	2013	2012
	£m	£m
Investment Income and Finance costs		
Inter-company interest payable and similar charges	**(10)**	(34)
Dividend income	**37**	5

For further details of the interest on inter-company loans payable, refer to notes 7 and 8 Dividend income relates to dividends received from the Company's available-for-sale investment in ITV plc and the Company's investments in subsidiaries

3. Profit (Loss) before tax

There were no staff costs during the year, as the Company had no employees (2012 none) Services are provided by employees of other companies within the Group with no charge being made for their services (2012 £nil) The Directors did not receive any remuneration during the year in respect of their services to the company (2012 £nil)

Audit fees

For the year ended 30 June 2013, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies For the year ended 30 June 2012, amounts paid to the auditor for the audit of the Company's annual accounts were £5,250 which were borne by another Group company No amounts for other services have been paid to the auditor

Notes to the financial statements

4. Tax

a) Tax recognised in the income statement

No tax charge was recognised in the year ended 30 June 2013 (2012 £nil)

b) Reconciliation of effective tax rate

The tax for the year is lower (2012 lower) than the amount that would have been charged using the standard rate of corporation tax in the UK 23 75% (2012 25 5%) applied to the profit before tax The applicable or substantively enacted effective rate of UK corporation tax for the year was 23 75% (2012 25 5%)

The differences are explained below

	2013 £m	2012 £m
Profit/(Loss) before tax	**27**	(134)
Profit/(Loss) before tax multiplied by standard rate of corporation tax in the UK of 23 75% (2012 25 5%)	**6**	(34)
Effects of		
Dividend income not taxable	**(9)**	(1)
Impairment of investment in subsidiaries	**-**	27
Group relief surrendered for £nil charge	**3**	8
Tax	**-**	-

All taxation relates to UK corporation tax and is settled by British Sky Broadcasting Limited ("BSkyB Ltd") on the Company's behalf

The Government has indicated that it intends to introduce further reductions in the main tax rate, with the rate falling by 2% to 21% by 1 April 2014 and 1% to 20% by 1 April 2015 These further reductions to the tax rate, below the 23% rate, have not been substantively enacted at the balance sheet date and therefore not reflected in these financial statements

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which they reverse The rate enacted or substantively enacted for the relevant period of reversal is 23% as at 30 June 2013 (2012 24%)

Notes to the financial statements

5. Non-current assets - Investment in subsidiaries and available-for-sale investments

	Investment in subsidiaries	Available-for-sale investments	Total
	£m	£m	£m
Cost or valuation			
At 1 July 2011	**331**	**215**	**546**
Revaluation	-	8	8
Impairment in investment	(105)	-	(105)
At 30 June 2012	**226**	**223**	**449**
Revaluation	-	186	186
Disposal of investment	(226)	-	(226)
At 30 June 2013	**-**	**409**	**409**

Details of the principal investments of the Company are as follows

Name of company	Holding	Proportion of voting rights and shares held	Nature of business
Investment in subsidiaries			
365 Media Group Limited	Ordinary shares	100%	Non-trading
Available-for-sale investment			
ITV plc	Ordinary shares	7 42%	Transmission of free-to-air channels

Investments in subsidiaries - BSkyB LLU Assets Limited and 365 Media Group Limited

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

During the year, the Company disposed of its investments in BSkyB LLU Assets Limited ("LLU Assets") to BSkyB Finance UK plc Prior to disposal, the carrying value of the Company's investment in LLU Assets was £226 million Total consideration of £226 million was left outstanding as an intercompany receivable due from BSkyB Finance UK plc , The transfer was made as part of an entity restructuring programme

On the 23 January 2007, the Company completed its acquisition of 365 Media Group Limited (formerly 365 Media Group plc) The total consideration for the acquisition was £105 million 365 Media is an operator of sports and gaming websites

During the prior year, the Company has impaired its investment in 365 Media Group Limited by £105 million, as a result of companies within 365 Media Group Limited being put into liquidation The impairment has reduced the carrying value of the investment to £nil

5. Non-current assets – Investment in subsidiaries and available-for-sale investments (continued)
Available-for-sale investments – ITV plc ("ITV")

On 17 November 2006, the Company acquired 696 million shares in ITV, at a price of 135 pence per share, representing 17 9% of the issued capital of ITV, for a total consideration of £946 million including fees and taxes The Company's investment in ITV is carried at fair value

The fair value is determined with reference to its equity share price at the balance sheet date In accordance with IFRS, the Company has recognised impairment losses in the years ended 30 June 2008 and 30 June 2009, the first of which was recorded at 31 December 2007 due to the significant and prolonged decline in the equity share price The latest impairment loss was determined with reference to ITV's closing equity share price of 20 0 pence at 27 March 2009 bringing the cumulative impairment loss to £807 million In line with IFRS, all subsequent increases in the fair value of the ITV investment above this impaired value have been recorded in the available-for-sale reserve

On 8 February 2010, the Company placed a shareholding of 10 4% in ITV in accordance with the final undertakings given by the Group to the Secretary of State for Business, Innovation and Skills relating to the Company's investment in ITV The placing by the Company of 404,362,095 ITV shares at 48 5 pence per share resulted in aggregate consideration of £196 million A profit of £115 million was realised on disposal being the excess of the consideration above the impaired value of the shares The Group continues to hold just under 7 5% of the shares in ITV

6. Trade and other receivables

	2013	2012
	£m	£m
Amounts receivable from other Group companies	**79**	34

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

Amounts receivable from other Group companies are non-interest bearing and all amounts are repayable on demand The Company is exposed to credit risk on these amounts receivable Within the Company there is a concentration of risk within amounts receivable from other Group companies

No allowances have been recorded against amounts receivable from Group companies as they were assessed to be fully recoverable

7. Trade and other payables

	2013 £m	2012 £m
Amounts owed to ultimate parent company	**12**	12
Amounts payable to other Group companies	**33**	26
	45	38

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

On the 27 July 2011, the Company entered into a £24 million revolving credit facility ("RCF") agreement with British Sky Broadcasting Limited This facility is repayable on demand and is non-interest bearing At 30 June 2013 the balance on this account was £23 million (2012 £23 million)

The Company has £10 million of payables to other Group companies all of which are non-interest bearing and repayable on demand (2012 £3 million)

The inter-company balance with the ultimate parent company is non-interest bearing and repayable on demand

8. Non-current other payables

	2013 £m	2012 £m
Non-current other payables		
Amounts payable to other Group companies	**43**	258

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

The non-current amounts payable to other Group companies bear interest at a fixed rate of 5 00% and are repayable in October 2014

9. Share capital

	2013 £	2012 £
Allotted, called-up and fully paid		
600 (2012 600) ordinary shares of £1 each	**600**	600

The Company has one class of ordinary shares which carry equal voting rights and no contractual right to receive payment

In the prior year, the Company issued 570,000,000 ordinary shares of £1 each to its sole shareholder BSkyB Finance UK plc On the same day, the shares issued were cancelled, and the Company's share premium was also reduced from £500 million to £nil

10. Financial Instruments

(a) Carrying value and fair value

The Company's principal financial instruments comprise available-for-sale investments, trade and other receivables and trade and other payables

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

	Available-for-sale investments	Loans and receivables	Other liabilities	Total carrying value	Total fair values
	£m	£m	£m	£m	£m
At 30 June 2013					
Trade and other payables	**-**	**-**	**(88)**	**(88)**	**(88)**
Trade and other receivables	**-**	**79**	**-**	**79**	**79**
Available-for-sale investments	**409**	**-**	**-**	**409**	**409**
At 30 June 2012					
Trade and other payables	-	-	(296)	(296)	(296)
Trade and other receivables	-	34	-	34	34
Available-for-sale investments	223	-	-	223	223

The fair values of financial assets and financial liabilities are determined as follows

- The fair value of financial assets and financial liabilities with standard terms and conditions and which are traded on active liquid markets is determined with reference to quoted market prices, and
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments

(b) Fair value hierarchy

The Company's available-for-sale investment in ITV is carried at fair value and constitutes a Level 1 financial instrument in the fair value hierarchy Level 1 financial instruments are measured using quoted prices (unadjusted) in active markets for identical assets or liabilities

11. Financial risk management objectives and policies

The Group's Treasury function is responsible for raising finance for the Company's operations, together with associated liquidity management and management of foreign exchange, interest rate and credit risks Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by both the Audit Committee and the Board, which receive regular updates of Treasury activity Derivative instruments are transacted for risk management purposes only It is the Group's policy that all hedging is to cover known risks and no speculative trading is undertaken Regular and frequent reporting to management is required for all transactions and exposures, and the internal control environment is subject to periodic review by the Group's internal audit team

Notes to the financial statements

11. Financial risk management objectives and policies (continued)

Capital Risk Management

The capital structure of the Company consists, of equity attributable to equity holders of the parent company, comprising issued capital, reserves and retained earnings Risk and treasury management is governed by BSkyB Group plc's policies approved by its Board of Directors

Credit Risk

The Company's maximum exposure to credit risk on trade receivables is the carrying amounts disclosed in note 6

Liquidity risk

The Company's financial liabilities are shown in notes 7 and 8

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

	Less than 12 months £m	Between 1-2 years £m	Between 2-5 years £m	More than 5 years £m
At 30 June 2013				
Trade and other payables	**45**	**43**	**-**	**-**
At 30 June 2012				
Trade and other payables	38	-	258	-

12. Transactions with related parties

a) Transactions with ultimate parent company

For details of amounts owed to the ultimate parent company please see note 7

b) Transactions with other BSkyB Group companies

For details of amounts owed to and from other Group companies please see notes 6, 7 and 8

The Group's treasury function is responsible for liquidity management across the Group's operations It is standard practice for the companies to lend and borrow cash from other Group companies as required

13. Ultimate parent undertaking

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

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