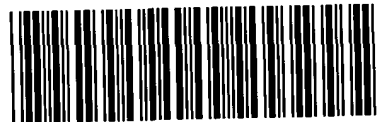


Diagonal View Limited

Annual report and financial statements
For the period 1 April 2017 to 30 June 2018

Registered number: **06515277**

THURSDAY



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28/03/2019
COMPANIES HOUSE

Directors and Officers

For the period from 1 April 2017 to 30 June 2018

Directors

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

M Heiman

D Gibbs

J West

A Zappia

Registered office

Grant Way

Isleworth

Middlesex

TW7 5QD

Auditor

Deloitte LLP

Statutory Auditor

London

United Kingdom

Strategic and Directors' Report

Strategic Report

The Directors present their Strategic and Directors' report on the affairs of the Company, together with the financial statements and Auditor's Report for the period from 1 April 2017 to 30 June 2018.

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

Diagonal View was acquired by Sky on 30 March 2017. The financial statements cover the period 1 April 2017 to 30 June 2018. The Company is a wholly-owned subsidiary of Sky Limited (formerly Sky plc) ("Sky") and operated together with Sky's other subsidiaries as a part of the Sky Group ("the Group"). On 9 October 2018 the offer by Comcast Bidco Limited, an indirect wholly-owned subsidiary of Comcast Corporation, to acquire the entire issued and to be issued share capital of Sky plc became wholly unconditional. As a result, and as of that date, the ultimate controlling party of the Company is now Comcast Corporation.

The Company's principal activities are the production and publication of digital media on digital content and social media platforms, the management of third-party digital content channels, and the bespoke production of stand-alone content and commissioned shows. The Directors expect this activity to continue for the foreseeable future.

The audited accounts for the period 1 April 2017 to 30 June 2018 are set out on pages 9 to 21. The Directors consider turnover and operating profit to be key performance indicators of the Company. Turnover for the period ended 30 June 2018 was £5,101,000 (1 April 2016 to 31 March 2017: £3,696,000) and the operating loss was (£797,000) (1 April 2016 to 31 March 2017 loss: (£283,000)). The increase in turnover was due to an increase in digital advertising revenues and commissioned productions in the period. Operating Profit was higher in the period as headcount costs moved to Sky UK Limited.

The balance sheet shows that the Company's shareholders' equity at the period ended 30 June 2018 was (£1,626,000).

The Directors do not recommend the payment of a dividend. There have been no significant events since the period end.

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 business is dependent on the quality of programming in its library and its ability to monetise this content through its efficient and established distribution systems and its network of relationships. The Company's business is reliant on technology which is subject to the risk of failure, change and development. Management intend to mitigate these risks by ensuring programming quality through feedback, user comments and viewing figures, and providing secure server platforms to operate on, safeguarding content. Exposure to external market factors are limited by producing content, at the in-house studios, with the latest technology, to remain a competitive agile business.

Strategic and Directors' Report (continued)

The Company operates in a highly competitive environment that is subject to rapid change and it must continue to invest to remain competitive. The failure of key suppliers and customers could affect the Company's ability to operate as a business. The Group's principal risks and uncertainties are disclosed in the Group's annual report. The Company's activities expose it to a number of financial risks including foreign exchange risk, credit risk and liquidity risk.

Foreign exchange risk

The Company's international activities expose it to the financial risks of changes in foreign currency exchange rates.

Credit risk

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

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 has access to a £3 billion revolving credit facility, which was undrawn at 30 June 2018. The facility is due to expire on 11 January 2024. The Company benefits from this liquidity through intra-group facilities and loans.

By Order of the Board,



M Heiman
Director

Grant Way
Isleworth
Middlesex
TW7 5QD

28 March 2019

Strategic and Directors' Report (continued)

Directors' Report

The Directors who served during the period are shown on page 1. The Directors do not recommend a dividend for the period 1 April 2017 to 30 June 2018.

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

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 Strategic 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. In making this decision the Directors have considered the net current liability position of the Company, and confirmations received from each of the companies with which there are intercompany payables, for at least 12 months from the date of signing these financial statements, they will not demand payment of any amounts owed to them by the Company where such repayment would prevent the Company from continuing to settle its third party liabilities as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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 March 2019.

By Order of the Board,

M Heiman
Director



Grant Way
Isleworth
Middlesex
TW7 5QD

28 March 2019

Strategic and Directors' Report (continued)

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 period. 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 accounting 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.

Auditors' report

Independent Auditor's report to the members of Diagonal View Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Diagonal View Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Auditor's report (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters 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 report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Auditor's report (continued)

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 report or the directors' report.

Matters on which we are required to report by exception

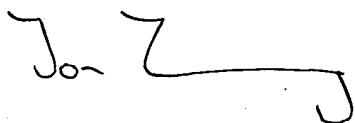
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Jon Young FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

29 March 2019

Profit and Loss Account

For the period 1 April 2017 to 30 June 2018

	Note	Period from 1 April 2017 to 30 June 2018 £'000	Period from 1 April 2016 to 31 March 2017 £'000
Turnover	3	5,101	3,696
Cost of sales		(1,726)	(1,678)
Gross Profit		3,375	2,018
Administrative expenses		(4,172)	(2,301)
Loss on ordinary activities before tax		(797)	(283)
Finance cost		(29)	(3)
Operating Loss on ordinary activities before tax	4	(826)	(286)
Tax on loss	7	-	-
Loss for the financial period		(826)	(286)

The accompanying notes are an integral part of this Profit and Loss Account.

For the period 1 April 2017 to 30 June 2018 and period ended 31 March 2017, there are no items of other comprehensive income. Accordingly, no statement of other comprehensive income is presented.

Turnover and operating profit are all derived from continuing operations.

Balance Sheet

As at 30 June 2018

	Note	Period from 1 April 2017 to 30 June 2018 £'000	Period from 1 April 2016 to 31 March 2017 £'000
Fixed assets			
Tangible assets	8	61	55
Investment in associates	9	-	-
		<u>61</u>	<u>55</u>
Current assets			
Debtors	10	3,597	426
Cash at bank and in hand		<u>729</u>	<u>-</u>
		4,326	426
Creditors: Amounts falling due within one year	11	(5,867)	(1,135)
		<u>(5,867)</u>	<u>(1,135)</u>
Total assets less current liabilities		<u>(1,480)</u>	<u>(654)</u>
		<u>(1,480)</u>	<u>(654)</u>
Creditors: Amounts falling due after one year	12	(146)	(146)
		<u>(146)</u>	<u>(146)</u>
Net liabilities		<u>(1,626)</u>	<u>(800)</u>
Capital and reserves			
Called up share capital	13	-	-
Share premium		908	908
Profit and loss account		(2,534)	(1,708)
		<u>(1,626)</u>	<u>(800)</u>

The accompanying notes are an integral part of this Balance Sheet.

The financial statements of Diagonal View Limited (registered number 06515277) were approved by the Board of Directors and authorised for issue on 28 March 2019 and were signed on its behalf by:

M Heiman

Director

28 March 2019

Statement of Changes in Equity

For the year ended 30 June 2018

	Note	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
At 31 March 2016		-	879	(1,422)	(543)
Loss and total comprehensive income for the year	4	-	-	(286)	(286)
Shares issued during the year		-	29	-	29
At 31 March 2017		-	908	(1,708)	(800)
Loss and total comprehensive income for the period	4	-	-	(826)	(826)
At 30 June 2018		-	908	(2,534)	(1,626)

Notes to the financial statements

1. General information

Diagonal View Limited (the "Company") is a limited liability Company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is Grant Way, Isleworth, Middlesex, TW7 5QD and registered number is 06515277. 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 3.

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

These financial statements are separate financial statements. The Company is taking advantage of s400 under the Companies act, meaning it is exempt from preparing consolidated accounts as it is included in the Group accounts of Sky Limited ("Sky"). The Group accounts of Sky are available to the public and can be obtained as set out in note 14.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared on the historical cost basis and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, and intra-group transactions. Note it's a long period from 1 April 2017 to 30 June 2018, that has been done to align year-end with the Sky group and so year on year comparisons are not entirely comparable.

The principal accounting policies adopted are set out below.

Going concern

The financial statements have been prepared using the going concern basis of accounting. For further details of the directors' assessment of the going concern basis of accounting please refer to the Directors' Report on page 4.

Fixed asset investments

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Turnover

Turnover represents amounts receivable for advertising revenue, channel management fees and production services net of VAT.

Turnover from advertising is recognised in the month the revenue occurred, with actuals trued-up in the month after the revenue occurred.

Turnover from a production commissioned or contracted by broadcasters is recognised as turnover in proportion to the stage of completion of the production at the relevant date. The stage of completion of a production is determined based on the proportion of costs incurred for work performed to date to total expected production costs.

Distribution turnover from programmes or formats distributed by third parties and other ancillary turnover is recognised once the Company has been notified of the sums due to it. Non-refundable advance payments received from third parties are recognised as turnover on execution of a contract. Any fees received in advance, which do not meet all the above criteria, are included in deferred income until the above criteria are met.

Notes to the financial statements

2. Significant accounting policies (continued)

Foreign currencies

Transactions in 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 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.

Taxation

UK corporation tax is provided at current amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which carried forward tax losses can be offset and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- over the term of the lease
Plant and machinery	- Straight-line over 3-20 years
Fixtures and fittings	- straight-line over 3-20 years

Leasing commitments

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight-line basis over the period of the lease.

Financial instruments

(i) 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.

Notes to the financial statements

2. Significant accounting policies (continued)

Financial instruments (continued)

(ii) Borrowings

Borrowings are recorded as the proceeds received, net of direct issue costs. Finance charges, including any premium payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest method and are added to the carrying amount of the underlying instrument to which they relate, to the extent that they are not settled in the period in which they arise.

(iii) 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.

(iv) 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.

Critical accounting policies and the use of judgement and estimates

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 and estimates that are exercised in their application.

(i) Revenue (see note 3)

- Selecting the appropriate timing for, and amount of, revenue to be recognised requires judgement. This may involve estimating the fair value of consideration before it is received.

(ii) Tax (see note 7)

- The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.
- Accruals for tax contingencies require management to make judgements and estimates in relation to tax audit issues and exposures. Amounts accrued are based on management's interpretation of country-specific tax law and the likelihood of settlement. Tax benefits are not recognised unless it is probable that the tax positions will be sustained. Once considered to be probable, management reviews each material tax benefit to assess whether a provision should be taken against full recognition of the benefit on the basis of the likely resolution of the issue through negotiation and/or litigation.

The amounts recognised in the financial statements in respect of each matter are derived from the Company's best estimation and judgement, as described above. However, the inherent uncertainty regarding the outcome of these items means the eventual resolution could differ from the provision and in such event the Company would be required to make an adjustment in a subsequent period which could have a material impact on the Company's profit and loss and/or cash position.

Notes to the financial statements

2. Significant accounting policies (continued)

Financial instruments (continued)

(iii) Property, plant and equipment (see notes 8)

- The assessment of the useful economic lives of these assets requires judgement. Depreciation and amortisation is charged to the income statement based on the useful economic life selected, which requires an estimation of the period and profile over which the Company expects to consume the future economic benefits embodied in the assets. The Company reviews its useful economic lives on at least an annual basis.
- Determining whether the carrying amount of these assets has any indication of impairment also requires judgement. If an indication of impairment is identified, further judgement is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

Assessing whether assets meet the required criteria for initial capitalisation requires judgement. This requires a determination of whether the assets will result in future benefits to the Company. In particular, internally generated intangible assets must be assessed during the development phase to identify whether the Company has the ability and intention to complete the development successfully.

3. Turnover

The whole of the company's turnover is attributable to its principal activity.

4. Profit / (Loss) on ordinary activities before taxation

Profit on ordinary activities before taxation has been arrived at after charging:

	Period from 1 April 2017 to 30 June 2018 £'000	Period from 1 April 2016 to 31 March 2017 £'000
Net foreign exchange (losses) / gains	(11)	16
Depreciation of tangible fixed assets (see note 8)	57	40
Staff costs (see note 6)	3,407	1,958
Operating lease rentals ⁽ⁱ⁾	110	140
Write down of inventory charged to operating expenses ⁽ⁱⁱ⁾	7	-
Defined contribution pension scheme cost	-	1

- (i) Rental of office space
(ii) Write down of bad debt

5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £25,000 (2017: Undertaken by Crowe Clark Whitehall LLP £12,750). No amounts for other services have been paid to the auditor (2017: Enil).

Notes to the financial statements

6. Staff costs

Their aggregate remuneration comprised:

	Period from 1 April 2017 to 30 June 2018 £'000	Period from 1 April 2016 to 31 March 2017 £'000
Wages and salaries	3,007	1,770
Social security costs	285	186
Pension costs (see note 14)	115	1
	<u>3,407</u>	<u>1,958</u>

The average monthly number of full-time equivalent persons (including executive directors) employed by the Group during the year was as follows:

	Period from 1 April 2017 to 30 June 2018 £'000	Period from 1 April 2016 to 31 March 2017 £'000
Technology	77	59
Director	<u>4</u>	<u>4</u>
	81	63

7. Tax on profit on ordinary activities

The tax charge comprises:

	Period from 1 April 2017 to 30 June 2018 £'000	Period from 1 April 2016 to 31 March 2017 £'000
Current tax on profit on ordinary activities		
UK corporation tax	-	-
Double tax relief	-	-
Foreign tax	<u>-</u>	<u>-</u>
Total current tax	-	-
Deferred tax	-	-
Total tax on profit on ordinary activities	<u>-</u>	<u>-</u>

The tax expense for the period is lower (2017: lower) than the expense that would have been charged using the standard rate of corporation tax in the UK of 19% (2017: 20%) applied to profit before tax. The differences are explained below:

Notes to the financial statements

7a. Tax on profit on ordinary activities (continued)

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Period from 1 April 2017 to 30 June 2018 £'000	Period from 1 April 2016 to 31 March 2017 £'000
Profit / (Loss) on ordinary activities before tax	(826)	(286)
Tax at the UK corporation tax rate of 19% (2017: 20%)	(157)	(57)
Tax effect of expenses that are not deductible in determining taxable profit	11	7
Deferred tax not recognised	6	112
Group relief surrendered for no consideration	140	-
Share based payments	-	-
Prior year adjustments	-	(62)
Total tax charge / credit for period	-	-

At June 30th 2018 there was an unrecognised deferred tax asset of £346,000 (2017: £346,000) relating to trading losses and fixed asset temporary differences.

Deferred tax assets have not been recognised on the basis that management do not conclude it probable that there will be sustainable taxable profits again to which these assets can be utilised.

Notes to the financial statements

8. Tangible Fixed Assets

	Property, plant and equipment
	£'000
Cost or valuation	
At 1 April 2016	160
Additions	36
At 31 March 2017	196
Additions	63
At 30 June 2018	259
Accumulated depreciation	
At 1 April 2016	101
Charge for the year	40
At 31 March 2017	141
Charge for the period	57
At 30 June 2018	198
Carrying amount	
At 31 March 2016	59
At 31 March 2017	55
At 30 June 2018	61

Notes to the financial statements

9. Investments in associates

	Period from 1 April 2017 to 30 June 2018 £	Period from 1 April 2016 to 31 March 2017 £
Investment in associated undertaking		
Cost		
At 1 April 2017 and at 30 June 2018	425	425
Carrying amount as 30 June	<u>425</u>	<u>425</u>

Name	Country of incorporation	Description and proportion of shares held (%)	Principal activity
Direct holdings			
Popcorn	United Kingdom	2 ordinary shares of £1.00 each - 100%	Distribution and Licensing

At 30 June 2018 the company owned 42.5% of the issued ordinary share capital of Popcorn Digital Limited ("PDL")

10. Debtors

	Period from 1 April 2017 to 30 June 2018 £'000	Period from April 2016 to 1 March 2017 £'000
Amounts falling due within one year:		
Trade debtors	455	70
Amounts owed by group undertakings(a)	2,096	-
VAT	52	-
Other debtors	7	-
Prepayments and accrued income	987	356
	<u>3,597</u>	<u>426</u>

a) Amounts owed by group undertakings

There are amounts receivable from other group undertakings totalling £2,096,000, (2017: £nil); these balances are non-interest bearing and repayable on demand.

The directors believe that carrying amount approximates the fair value under FRS 102.

Notes to the financial statements

11. Creditors

Amounts falling due within one year:

	Period from 1 April 2017 to 30 June 2018 £'000	Period from 1 April 2016 to 31 March 2017 £'000
Bank overdraft	-	58
Trade creditors	304	190
Amounts payable to the parent company ^(a)	5,158	521
Accruals	402	211
Other	3	155
	5,867	1,135

a) Amounts payable to the parent Company

There are amounts payable to the parent company totalling £5,158,000 (2017: £521,000). On 21st September 2017 Diagonal View Limited entered a loan agreement of £521,896 with Sky UK Limited, whereby Sky UK Limited was lender and Diagonal View Limited was borrower. In addition, on 25 May 2017 Diagonal View Limited entered into a £400,000 RCF agreement with Sky UK Limited. This loan is interest bearing of Libor plus 2% per annum and repayable on demand. The remaining balance are non-interest bearing and are repayable on demand.

Diagonal View Limited also has trade payable balances with Sky Limited of £304,000 (2017: £190,000), these balances are non-interest bearing and are repayable on demand.

The directors consider that carrying amount approximates the fair value.

12. Creditors

Amounts falling due after one year:

	Period from 1 April 2017 to 30 June 2018 £'000	Period from 1 April 2016 to 31 March 2017 £'000
Other Creditors	146	146
	146	146

13. Share capital

	Period from 1 April 2017 to 30 June 2018 £	Period from 1 April 2016 to 31 March 2017 £
Allotted, called-up and fully paid		
35,325 (2017: 35,325) Ordinary shares of £0.01 each	353	353
482 (2017 - 482) Ordinary Non-voting shares of £0.01 each	5	5
665 (2017 - 665) Ordinary A Non-voting shares of £0.001 each	1	1
	359	359

Notes to the financial statements

14. Retirement benefit schemes

The Company operates defined contribution retirement benefit schemes for qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total cost charged to income of £115,000 (2017: £1,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans.

15. Ultimate controlling party

The Company is a wholly-owned subsidiary undertaking of Sky Limited (formerly Sky Plc) ("Sky"), a Company incorporated in the United Kingdom and registered in England and Wales. As at 30th June 2018, The Company was ultimately controlled by Sky plc (now renamed Sky Limited) ("Sky") and operated together with Sky's other subsidiaries, as part of the Group. As at 30th June 2018, Sky plc (now renamed Sky Limited) was the largest and smallest group of which the company was a member and for which group financial statements were prepared.

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

16. Post Balance Sheet Event

On 9 October 2018 the offer by Comcast Bidco Limited, an indirect wholly-owned subsidiary of Comcast Corporation, to acquire the entire issued and to be issued share capital of Sky Limited became wholly unconditional. As a result, and as of that date, the ultimate controlling party of the Company is now Comcast Corporation.