

PARTHENON MEDIA GROUP LIMITED

Annual report and financial statements
For the year ended 30 June 2014

Registered number 06944197



Directors and Officers

For the year ended 30 June 2014

Directors

Parthenon Media Group Limited's ("the Company's") present Directors and those who served during the year are as follows:

C J Taylor

C R Jones

Secretary

C J Taylor

Registered office

Grant Way

Isleworth

Middlesex

TW7 5QD

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 for the year ended 30 June 2014

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

Business review and principal activities

The principal activity of the Company is to act as holding Company. There have not been any significant changes in the Company's activities in the year under review except for the disposal of its interest in Arcadia Entertainment Inc which was held as an associate in the prior year. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The Company is 100% owned by British Sky Broadcasting Limited ("BSkyB Ltd"). BSkyB Ltd is a wholly-owned subsidiary of Sky plc (formerly known as British Sky Broadcasting Group plc). The Company operates together with Sky plc's other subsidiaries as a part of the Group ("the Group").

The results for the year reflect the fact that the Company is a holding Company and will remain so for the foreseeable future. Note 5 on page 9 of the financial statements provides information concerning the subsidiary undertakings of the Company.

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 Group's principal risks and uncertainties are disclosed in the Group's annual report. The Company's activities expose it to financial risks namely market risk, interest rate risk, credit risk and liquidity risk.

Financial risk management objectives and policies

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

Market risk

The Company's principal market risk is exposure to changes in interest rates, which arises principally from the Company's sources of finance.

Interest rate risk

The Company has financial exposure to UK interest rates arising from the investment of surplus cash and various loan balances with other companies within the Group. The Group's Treasury function monitors the Company's exposure to fluctuations in interest rates.

Strategic and Directors' Report (continued)


Credit risk

The balance sheet of the Company includes intercompany balances and the Company is therefore exposed to credit risk on these balances. The intercompany balances of the Company are detailed in notes 6 and 7.

Liquidity risk

The Company relies on the Group Treasury function to manage its liquidity and ensure that sufficient funds are available for ongoing operations and future developments. The Group currently has access to an undrawn £1 billion revolving credit facility which is due to expire on 30 November 2019 and an undrawn €484 million term loan which is due to expire on 25 July 2017. The Company benefits from this liquidity through intra-group facilities and loans.

By Order of the Board,



C J Taylor
Company Secretary

Grant Way
Isleworth
Middlesex
TW7 5QD
1 December 2014

Strategic and Directors' Report (continued)

Directors' Report

The Directors who served during the year are shown on page 1 The Directors do not recommend a dividend for the year ended 30 June 2014

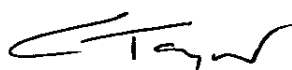
The Company has chosen, in accordance with section 414C(11) of Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic Report which otherwise would be required to be disclosed in the Director's report

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 Accordingly, they continue to adopt the going concern basis in preparing the financial statements

By Order of the Board,



C J Taylor
Company Secretary

Grant Way
Isleworth
Middlesex
TW7 5QD
1 December 2014

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- elect suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable 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.

Profit and Loss Account

For the year ended 30 June 2014

| | Notes | 2014 £ | 2013 £ |
|--|-------|-----------|-----------|
| Turnover | | - | - |
| Operating expense | | - | (400,329) |
| Operating loss | 2 | - | (400,329) |
| Income from shares in group undertakings | | - | 78,795 |
| Loss on disposal of group undertakings | 5 | (302,199) | - |
| Loss on ordinary activities before taxation | | (302,199) | (321,534) |
| Tax | 4 | - | - |
| Loss for the year | | (302,199) | (321,534) |

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

For the years ended 30 June 2014 and 30 June 2013, there are no recognised gains or losses other than those shown above. Accordingly, no Statement of total Recognised Gains and Losses is presented.

All results relate to continuing operations.

Balance Sheet

As at 30 June 2014

| | Notes | 2014 £ | 2013 £ |
|---|-------|-------------------|--------------|
| Fixed assets | | | |
| Investments | 5 | 55,253 | 357,452 |
| Current assets | | | |
| Debtors amounts due within one year | 6 | 10,431,803 | 10,431,803 |
| Total assets | | 10,487,056 | 10,789,255 |
| Current liabilities | | | |
| Creditors amounts falling due within one year | 7 | (10,563,063) | (10,563,063) |
| Total assets less current liabilities | | (76,007) | 226,192 |
| Net (liabilities) assets | | (76,007) | 226,192 |
| Capital and reserves | | | |
| Called up share capital | 8 | 2 | 2 |
| Profit and loss account | 9 | (76,009) | 226,190 |
| Total shareholders' (deficit) funds | 12 | (76,007) | 226,192 |

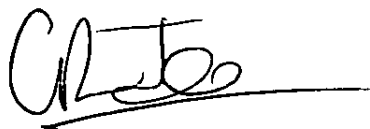
The accompanying notes are an integral part of this Balance Sheet

For the year ended 30 June 2014 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 Parthenon Media Group Limited, registered number 06944197 were approved by the Board of Directors on 1 December 2014 and were signed on its behalf by



C R Jones

Director,

1 December 2014

Notes to the financial statements

1. Accounting policies

Parthenon Media Group Limited (the "Company") is a limited liability Company incorporated in the United Kingdom, and registered in England and Wales

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

The Company relies on the continued support of BSkyB Ltd. The accounts are prepared on the going concern basis on the assumption that such support will continue for the foreseeable future

Preparation of consolidated financial statements

The financial statements contain information about the Company that does not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Sky plc which prepares consolidated accounts which are publicly available

Cash flow statement

The Company has taken advantage of the exemption from the requirements of FRS 1 (Revised) to present a cash flow statement on the grounds that the Company is a wholly-owned subsidiary and is included in the publicly available consolidated accounts of Sky plc

Corporation tax

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

2. Operating loss

| Operating loss for the year is stated after charging | 2014 | 2013 |
|--|------|------|
| | £ | £ |
| Directors' remuneration | - | - |

3 Employees

There were no staff costs for the year ended 30 June 2014 nor for the year ended 30 June 2013

Notes to the financial statements

4 Taxation

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2014 nor for the year ended 30 June 2013

Factors affecting the tax charge

The tax credit for the year is lower (2013 lower) than the credit that would have been recognised using the blended rate of corporation tax in the UK (22.5%) applied to the loss before tax. The applicable or substantially enacted effective rate of UK corporation tax for the year was 22.5% (2013 23.75%).

| | 2014 | 2013 |
|--|-----------|-----------|
| | £ | £ |
| Loss on ordinary activities before tax | (302,199) | (321,534) |
| Loss before tax multiplied by blended rate of corporation tax in the UK of 22.5% (2013 23.75%) | (67,995) | (76,364) |
| Effects of | | |
| Expenses not deductible for tax purposes | 67,995 | 95,024 |
| Income not taxable for tax purposes | - | (18,714) |
| Group relief surrendered for nil consideration | - | 54 |
| Current tax charge | - | - |

5. Fixed asset investments

| | Shares in group undertakings | Interest in associate | Totals |
|-----------------------|---------------------------------|--------------------------|-----------|
| | £ | £ | £ |
| Cost | | | |
| At 1 July 2013 | 55,253 | 302,199 | 357,452 |
| Disposals | - | (302,199) | (302,199) |
| At 30 June 2014 | 55,253 | - | 55,253 |
| Net book value | | | |
| At 30 June 2013 | 55,253 | 302,199 | 357,452 |
| At 30 June 2014 | 55,253 | - | 55,253 |

During the financial year the Company disposed of its interest in Arcadia Entertainment Inc for a consideration of £nil, resulting in a loss on disposal of £302,199. No capital loss arises on disposal due to the Substantial Shareholdings Exemption.

The Company's investments at the balance sheet date in the share capital of companies include the following

| Name | Country of incorporation | Description and proportion of shares held (%) | Principal activity |
|---|-----------------------------|---|----------------------------------|
| Direct holdings | | | |
| Parthenon Entertainment Limited | United Kingdom | 100 | Film production and distribution |
| Parthenon Animation Productions Limited | United Kingdom | 100 | In liquidation |
| Parthenon 1 Limited | United Kingdom | 100 | Dormant |
| Parthenon 2 Limited | United Kingdom | 100 | Dormant |

Notes to the financial statements

6. Debtors: amounts falling due within one year

| | 2014 | 2013 |
|---------------------------------------|------------|------------|
| | £ | £ |
| Amounts owed by other Group companies | 10,431,803 | 10,431,803 |

Amounts owed by other group companies are non-interest bearing and are repayable on demand

7. Creditors: amounts falling due within one year

| | 2014 | 2013 |
|---------------------------------------|------------|------------|
| | £ | £ |
| Amounts owed to other Group companies | 10,563,063 | 10,563,063 |

Amounts owed to other group companies are non-interest bearing and are repayable on demand

8. Share capital

| | 2014 | 2013 |
|---|------|------|
| | £ | £ |
| Allotted, called-up and fully paid | | |
| 2 (2013: 2) ordinary shares of £1 (2013: £1) each | 2 | 2 |

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

9. Profit and loss account

| | Profit and loss account £ |
|-------------------|---------------------------------|
| At 1 July 2013 | 226,190 |
| Loss for the year | (302,199) |
| At 30 June 2014 | (76,009) |

10 Related party disclosures

The Company has taken advantage of the exemption in FRS 8 paragraph 30 from the requirement to disclose transactions with Group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company Sky plc

Notes to the financial statements

11. Ultimate controlling party

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

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

12. Reconciliation of movements in shareholders' funds

| | 2014 £ | 2013 £ |
|--|------------------|-----------|
| Loss for the financial year | (302,199) | (321,534) |
| New share capital subscribed | - | 546,712 |
| Net (decrease) increase to shareholders' funds | (302,199) | 225,178 |
| Opening shareholders' funds | 226,192 | 1,014 |
| Closing shareholders' (deficit) funds | (76,007) | 226,192 |