

# DOLPHIN TV LIMITED

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

Registered number: 07839635

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## Directors and Officers

For the year ended 30 June 2015

### **Directors**

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

C R Jones

C J Taylor

### **Secretary**

C J Taylor

### **Registered office**

Grant Way

Isleworth

Middlesex

TW7 5QD

### **Auditor**

Deloitte LLP

Chartered Accountants

London

United Kingdom

# Strategic Report and Directors' Report

## Strategic Report

The Directors present their Strategic and Director's report on the affairs of the Company, together with the financial statements and Auditor's Report for the year ended 30 June 2015. The prior period was from 18 December 2013 to 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 Company is a wholly owned subsidiary of Sky UK Limited ("Sky UK Ltd" formerly British Sky Broadcasting Limited) (the immediate parent company). The ultimate parent company is Sky plc ("Sky", formerly known as British Sky Broadcasting Group plc) and operates together with Sky's other subsidiaries, as part of the Sky Group ("the Group").

The Company's principal activity during prior year was to act as an advertising sales house which sells advertising inventory to media buyers. The Company ceased trading during the period ended 30 June 2014.

The audited accounts for the year are set out on pages 7 to 13. The loss for the year after taxation was £1,000 (30 June 2014: profit of £283,000). Net assets at the balance sheet date were £2,386,000 (30 June 2014: £2,387,000).

## Key performance indicators (KPIs)

The Group manages its operations on a divisional basis. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the Company.

## Principal risks and uncertainties

The Company's activities expose it to financial risks, namely credit risk and liquidity risk.

## Financial risk management objectives and policies

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

## Credit risk

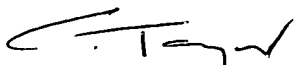
The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

## Strategic report and Directors' Report (continued)

### Liquidity risk

The Company relies on the Group Treasury function to manage its liquidity and ensure that sufficient funds are available for ongoing operations and future developments. The Group currently has access to an undrawn £1 billion revolving credit facility which is due to expire on 30 November 2020. The Company benefits from this liquidity through intra-group facilities and loans.

By Order of the Board,



C J Taylor

Company Secretary

Grant Way

Isleworth

Middlesex

TW7 5QD

10 December 2015

## Strategic Report and Directors' Report (continued)

### Directors' Report

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

The Directors do not recommend the payment of a dividend in the current period (30 June 2014: £nil).

### Going concern basis

The company ceased trading during the period ended 30 June 2014. For this reason the directors have adopted a basis other than going concern since the entity no longer has a trading activity.

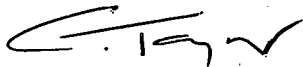
### Auditor

In accordance with the provisions of Section 418 of the Companies Act 2006, each of the persons who are Directors of the Company at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them was approved by the Board of Directors on 10 December 2015.

By Order of the Board,



C J Taylor  
Company Secretary

Grant Way  
Isleworth  
Middlesex  
TW7 5QD

10 December 2015

## Statement of Directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## Auditor's report

### **Independent Auditor's report to the members of Dolphin TV Limited:**

We have audited the financial statements of Dolphin TV Limited for the year ended 30 June 2015 which comprise the Profit and loss account, the Balance sheet and related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 30 June 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.


### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



William Touche (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

10<sup>th</sup> December 2015

# Profit and Loss account

For the year ended 30 June 2015

	Notes	Year ended 30 June 2015 £'000	Period from 18 December 2013 to 30 June 2014 £'000
<b>Discontinued Operations</b>			
<b>Turnover</b>	2	-	2,333
Cost of sales		-	(1,958)
<b>Gross profit</b>		-	375
Operating expenses		(1)	(82)
Finance charges		-	(3)
<b>(Loss) / Profit on ordinary activities before taxation</b>	3	(1)	290
Tax on (loss) / profit on ordinary activities	5	-	(7)
<b>(Loss) / Profit on ordinary activities after taxation for the year</b>		(1)	283

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

All current period trading qualifies as discontinued operations under the criteria of FRS 3 at the year end. For the year ended 30 June 2014, there are no recognised gains or losses other than those shown above. Accordingly, no separate Statement of total Recognised Gains and Losses is presented.



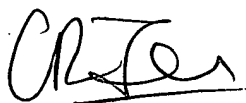
# Balance Sheet

As at 30 June 2015

	Notes	2015 £'000	2014 £'000
<b>Current assets</b>			
Cash at bank and in hand		6,051	6,056
<b>Creditors: Amounts falling due within one year</b>	6	(3,665)	(3,669)
<b>Net current assets</b>		2,386	2,387
<b>Net assets</b>		2,386	2,387
<b>Capital and reserves</b>			
Called-up share capital	7	-	-
Profit and loss account	8	2,386	2,387
<b>Total shareholders' funds</b>		2,386	2,387

The accompanying notes are an integral part of this Balance Sheet

These financial statements of Dolphin TV Limited, registered number 07839635 were approved by the Board of Directors on 10 December 2015 and were signed on its behalf by:



C R Jones

Director,

10 December 2015

## Notes to the financial statements

### **1. Accounting policies**

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

#### **a) Cash flow statement**

The Company has taken advantage of the exemption from the requirements of FRS 1 (Revised) to present a cash flow statement, because it was ultimately a wholly-owned subsidiary of Sky, which prepares consolidated accounts which are publicly available (see note 12).

#### **b) Basis other than going concern**

As explained in the Directors' report, the Company ceased trading during last year. As such the accounts have been prepared on a basis other than going concern.

#### **c) Turnover**

Turnover represents the invoiced value of airtime traded on behalf of channel clients, excluding Value Added Tax. Revenues are recognised in accordance with United Kingdom Generally Accepted Accounting Practice and, specifically by reference to the principal vs. agent determination, on a contract by contract basis. Contracts are accounted for on a gross basis where the company has accepted the transfer of inventory risks which would not usually be transferred under a normal agent to client relationship.

#### **d) Foreign currency translation**

The Company's functional currency and presentational currency is pounds sterling. Trading activities denominated in foreign currencies are recorded in pounds sterling at the applicable monthly exchange rates. Monetary assets, liabilities and commitments denominated in foreign currencies at the balance sheet date are reported at the rates of exchange at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated to pounds sterling at the exchange rate prevailing at the date of the initial transaction. Gains and losses from the retranslation of assets and liabilities are included net in profit for the period.

#### **e) Operating leases**

Rentals under operating leases are charged to the Profit and Loss account on a straight-line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

## Notes to the financial statements

### 1. Accounting policies (continued)

#### f) Taxation, including deferred 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.

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 deduced.

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.

### 2. Turnover

The whole of the turnover is attributable to services in the prior period related to the selling of advertising inventory to media buyers. All turnover arose within the United Kingdom.

### 3. (Loss) / Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	Year ended 30 June 2015 £'000	Period from 18 December 2013 to 30 June 2014 £'000
Depreciation and impairment of tangible fixed assets	-	28
Operating lease charges	-	-
Bank charges	1	1
Vehicle lease	-	2

For the year ended 30 June 2015 amounts paid to the auditor for the audit of the Company's statutory accounts of £30,000 (30 June 2014: £30,000) were borne by another Group subsidiary.

### 4. Employee benefits and key management compensation

There were no employee costs during the year as the Company had no employees, other than the two Directors. Services are provided by employees of other companies within the Group with no charge being made for their services. The Directors did not receive any remuneration during the year in respect of their services to the Company.

## Notes to the financial statements

### 5. Tax

#### a) Tax recognised in the profit and loss account

	Year end 30 June 2015 £'000	Period from 18 December 2013 to 30 June 2014 £'000
<b>Current tax expense</b>		
Current period	-	-
<b>Total current tax charge</b>	-	-
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	-	7
<b>Total deferred tax charge</b>	-	7
<b>Taxation</b>	-	7

#### b) Reconciliation of effective tax rate

The tax expense for the period is lower (2014: lower) than the expense that would have been charged using the blended rate of corporation tax in the UK (20.75%) applied to profit / (loss) before tax. The applicable or substantively enacted effective rate of UK corporation tax for the period was 20.75% (30 June 2014: 23%). The differences are explained below:

	Year ended 30 June 2015 £'000	Period from 18 December 2013 to 30 June 2014 £'000
(Loss) / Profit before tax	(1)	290
(Loss) / Profit before tax multiplied by blended rate of corporation tax in the UK of 20.75% (30 June 2014: 23%)	0	67
Effects of:		
Non-deductible expense	-	-
Other short-term timing differences	-	(8)
Deferred tax write off following tax rate change	-	-
Group relief claimed	-	(59)
<b>Tax</b>	-	-

#### c) Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax to 20% from 1 April 2015 was included in the Finance Act 2013. The Finance Act 2013 was substantively enacted at the balance sheet date.

## Notes to the financial statements

### 6. Creditors – amounts falling due within one year

	2015	2014
	£'000	£'000
Amounts owed to group undertakings	3,665	3,669
	<b>3,665</b>	<b>3,669</b>

Amounts owed to parent company are non-interest bearing and are repayable on demand.

### 7. Share capital

	2015	2014
	£	£
<b>Allotted, called-up and fully paid</b>		
150,000 (2014: 150,000) A ordinary shares of £0.001 (2014: £0.001) each	150	150
50,000 (2014: 50,000) B ordinary shares of £0.001 (2014: £0.001) each	50	50
	<b>200</b>	<b>200</b>

### 8. Reconciliation of movements in shareholder's funds

	Share capital	Profit and loss account	Total equity shareholder's funds
	£'000	£'000	£'000
At 30 June 2014	-	2,387	2,387
Loss for the period	-	(1)	(1)
<b>At 30 June 2015</b>	<b>-</b>	<b>2,386</b>	<b>2,386</b>

### 9. Transactions with related parties and major shareholders

The Company has taken advantage of the exemption given by Financial Reporting Standard 8 "Related Party Disclosures" not to provide further details of the transactions with fellow wholly owned Group undertakings or Sky's joint ventures, as it is a wholly-owned subsidiary of Sky and disclosures of such transactions are made in the consolidated accounts of the Group, which are publicly available (see note 12).

## Notes to the financial statements

### 10. Operating lease commitments

	2015 £'000	2014 £'000
Within 1 year	-	96
Between 2 and 5 years	-	306
	-	402

Operating leases primarily relate to land and buildings.

There were no operating lease costs recognised during the year to 30 June 2015.

### 11. Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of Sky UK Ltd, a Company incorporated in the United Kingdom and registered in England and Wales. The Company is ultimately controlled by Sky plc. 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.