

# BSkyB Healthcare Scheme Limited

Annual report and financial statements  
for the year ended 30 June 2008

Registered number: 2766412

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## **Directors and Officers**

For the year ended 30 June 2008

### **Directors**

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

U T Ferriday

D J Gormley

### **Secretary**

C J Taylor

### **Registered office**

Grant Way

Isleworth

Middlesex

TW7 5QD

### **Auditors**

Deloitte LLP

Chartered Accountants

London

## Directors' Report

The Directors present their Annual Report on the affairs of the Company, together with the financial statements and Auditors' Report, for the year ended 30 June 2008.

### Business review and principal activity

The Company is a wholly-owned subsidiary of British Sky Broadcasting Limited; the ultimate parent company is British Sky Broadcasting Group plc ("BSkyB"). The Company operates together with BSkyB's other subsidiaries as a part of the Group ("the Group").

The Company is engaged in the operation and funding of the BSkyB Private Healthcare Plan, a medical scheme administered by The Medisure Group Limited for employees of the Group. The Directors expect these activities to continue for the foreseeable future.

There have been no significant events since the year end.

### Results for the year

The audited financial statements for the year ended 30 June 2008 are set out on pages 5 to 12. The profit for the period was nil (2007: nil). Movements within the balance sheet are driven by the identified value of post year end liabilities relating to healthcare claims made during the year. The Directors do not recommend the payment of a dividend for the year ended 30 June 2008 (2007: nil).

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

### Directors and their interests

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

### Principal risks and uncertainties

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

#### 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 note 6.

#### Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company relies on the Group treasury function, which has access to £1,000 million rolling credit facility to ensure ongoing liquidity.

#### Price and Cash Flow risk

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

### Auditors

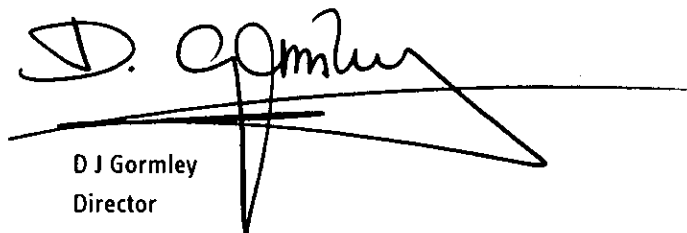
In the case of each of the persons who are Directors of the Company at the date when this report was approved:

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

### Directors' report (continued)

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

On behalf of the Board,

A handwritten signature in black ink, appearing to read 'D. Gormley', is written over a horizontal line. The signature is stylized with a large 'D' and a long, sweeping tail.

D J Gormley  
Director  
Grant Way  
Isleworth  
Middlesex  
TW7 5QD

8 April 2009

## **Directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union, the Companies Act 1985 and Article 4 of the IAS Regulation.

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

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Auditors' report

### Independent Auditors' Report to the Members of BSKyB Healthcare Scheme Limited

We have audited the financial statements of BSKyB Healthcare Scheme Limited for the year ended 30 June 2008 which comprise the Income Statement, the Statement of Recognised Income and Expense, the Balance Sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

#### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 June 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

#### Separate opinion in relation to IFRSs

As explained in Note 1 to the financial statements, the company in addition to complying with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board.

In our opinion the financial statements give a true and fair view, in accordance with IFRSs, of the state of the company's affairs as at 30 June 2008 and of its result for the year then ended.

*Deloitte LLP*

Deloitte LLP  
Chartered Accountants and Registered Auditors  
London, United Kingdom  
8 April 2009

## Income Statement

For the year ended 30 June 2008

	Notes	2008 £000	2007 £000
Revenue	2	6,993	5,903
Operating expense	3	(6,993)	(5,903)
Operating profit		-	-
Taxation		-	-
Profit for the year		-	-

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

## Statement of Recognised Income and Expense for the year ended 30 June 2008

	2008 £000	2007 £000
Profit for the period	-	-
Total recognised income and expense for the year	-	-

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

## Balance Sheet

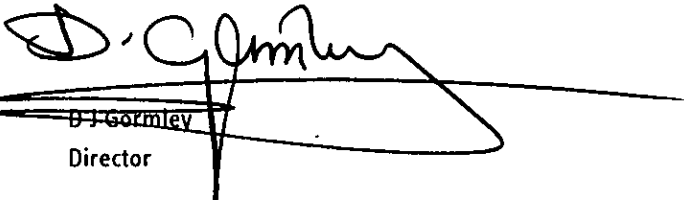
As at 30 June 2008

	Notes	2008 £000	2007 £000
<b>Current assets</b>			
Trade and other receivables	6	1,036	699
		<b>1,036</b>	<b>699</b>
<b>Total assets</b>		<b>1,036</b>	<b>699</b>
<b>Current liabilities</b>			
Trade and other payables	7	1,036	699
		<b>1,036</b>	<b>699</b>
<b>Total liabilities</b>		<b>1,036</b>	<b>699</b>
<b>Shareholders' equity</b>	9	-	-
<b>Total liabilities and shareholders' equity</b>		<b>1,036</b>	<b>699</b>

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

This company has no cash flows. Accordingly, no cash flow statement has been presented.

These financial statements have been approved by Board of Directors on 8 April 2009 and signed on its behalf by:

  
D.J. Gormley  
Director

8 April 2009



## Notes to the financial statements

### 1. Accounting policies

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

#### a) Statement of compliance

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

#### b) Basis of preparation

The financial statements have been prepared on an historical cost basis, and on a going concern basis.

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

#### c) Financial assets and liabilities

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

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

#### i. Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments and are measured at amortised cost using the effective interest method. Trade and other receivables, with no stated interest rate, are measured at the original invoice amount if the effect of discounting is immaterial. 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.

#### ii. 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) Revenue recognition

Revenue, which excludes value added tax, represents the gross inflow of economic benefit from the Company's operating activities. Revenue is measured at the fair value of the consideration received or receivable.

#### e) Taxation

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

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

#### f) Critical accounting policies and the use of judgement

There are no accounting policies which are considered to be critical to the Company. An accounting policy is considered to be critical if its selection or application materially affects the Company's financial position or results. The Directors are required to use their judgement in order to select and apply the Company's critical accounting policies.

## Notes to the financial statements

### 1. Accounting policies (continued)

#### g) Accounting standards, interpretations and amendments to published standards not yet effective

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published and are mandatory for the Company's accounting periods beginning on or after 1 July 2007, or later periods. These new standards are listed below:

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

The Directors currently anticipate that the adoption of these standards, amendments and interpretations in future periods will not have a material impact on the financial statements of the Company other than additional disclosure requirements.

## Notes to the financial statements

### 2. Revenue

All revenue is derived from the Company's sole class of business, being the administration of the BSKyB Private Healthcare Plan, and arises from activities conducted within the United Kingdom ("UK").

### 3. Operating expense

These principally comprise costs incurred from the Company's sole class of business, the administration of the BSKyB Private Healthcare Plan. These costs include an annual administration fee to The Medisure Group Limited and the cost of providing private healthcare services for all claims reported to the administrators of the scheme. The BSKyB Private Healthcare Plan currently operates as a self-funded trust and the Company was responsible for the payment of all claims in the current and prior year.

### 4. Profit before taxation

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

Amounts paid to the auditors for audit services of £10,500 (2007: £10,500) were borne by another Group undertaking in 2008 and 2007. Amounts paid to the auditors for other services during the year were nil (2007: nil).

### 5. Taxation

	2008	2007
	£'000	£'000
Charge for the year	-	-

## Notes to the financial statements

### 6. Trade and other receivables

	2008 £000	2007 £000
Amounts receivable from parent undertaking	339	173
Amounts receivable from other Group companies	441	196
Prepayments	256	330
	1,036	699

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. Amounts received from other Group companies are repayable on demand and are non-interest bearing. No allowances have been recorded against amounts receivable from group companies as they have been assessed to be fully recoverable.

### 7. Trade and other payables

	2008 £000	2007 £000
Accruals	1,036	699

The Directors consider that the carrying amount of trade and other payables approximates to their fair values. Accruals principally comprise amounts required to meet the ongoing cost of claims originating in the period.

### 8. Financial risk management objectives and policies

The Company's principal financial instruments comprise intercompany receivables and accruals. The accounting classification of each class of the Company's financial assets and financial liabilities together with their fair values is as follows:

	Loans and receivables £	Other liabilities £	Total carrying value £	Total fair values £
<b>At 30 June 2007</b>				
Trade and other receivables	369	-	369	369
Trade and other payables		(699)	(699)	(699)
<b>At 30 June 2008</b>				
Trade and other receivables	780	-	780	780
Trade and other payables		(1,036)	(1,036)	(1,036)

The Directors consider that the carrying amount of financial instruments approximates to their fair value.

#### Liquidity risk

The Company's financial liabilities are shown in note 7. The maturity date on these liabilities is less than twelve months.

#### Credit risk

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

#### Additional information

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

## Notes to the financial statements

### 9. Share capital

	2008 £	2007 £
Authorised		
100 (2007: 100) ordinary shares of £1 each	100	100
Allotted, called-up and fully paid		
2 (2007: 2) ordinary shares of £1 each	2	2

### 10. Transactions with related parties

The Company conducts business transactions with other fellow Group undertakings:

	2008 £000	2007 £000
Provision of the BSKyB Private Healthcare Plan	6,993	5,903
Administration of and treatments provided by, the BSKyB Private Healthcare Scheme	(6,993)	(5,903)

Details of amounts owed by and to related parties to the Company are given in notes 6 and 7.

### 11. Ultimate parent company

The Company is a wholly-owned subsidiary of British Sky Broadcasting Limited, a company incorporated in Great Britain 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.