

Oddschecker Services Limited

Annual report and financial statements
for the year ended 30 June 2010

Registered number 4047216



Directors and Officers

For the year ended 30 June 2010

Directors

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

P M A Croton

R C Flint

I D F Proctor (appointed 09/11/2009)

V H Russell (resigned 09/11/2009)

Secretary

D J Gormley

Registered office

Grant Way

Isleworth

Middlesex

TW7 5QD

Auditors

Deloitte LLP

Chartered Accountants and Statutory Auditors

London

United Kingdom

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 2010

Business review and principal activities

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

The principal activity of the Company is to provide online betting and gaming related information and content to customers. There has not been any significant changes in the Company's activities in the 12 month period under review. The Directors are not aware, at the date of this report, of any likely changes in the Company's activities in the next year.

The audited financial statements for the year ended 30 June 2010 are set out on pages 7 to 24. The profit for the year was £6,331,000 (2009: £524,000) after taking into account the release of a provision against intercompany receivables of £4,250,000. The Directors do not recommend the payment of a dividend for the year ended 30 June 2010 (2009: £nil).

Principal risks and uncertainties

The balance sheet of the Company is primarily intercompany balances and the Company is therefore exposed to credit risk on these balances. The intercompany balances of the Company are detailed in notes 11 and 12.

Financial risk management objectives and policies

Credit risk

The Company has no significant concentration of 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 currently has access to an undrawn £750 million revolving credit facility which is due to expire on 30 July 2013. The Company benefits from this liquidity through intra-group facilities and loans.

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

Other risks

Competitive Risks – Although currently the leading comparison site serving betting customers, there is always a risk that a competitor site could invest heavily to raise its profile and increase its attractiveness to the trade partners and to customers. We are continually reviewing the market and our own proposition to ensure we remain the leading site.

Regulatory Risks – Gambling is a highly regulated market including the marketing and promotion of its products. Our legal advisors remain vigilant to forewarn of any possible changes to the regulatory environment that could present a risk to the core proposition and business model.

Technical Disruption – The whole proposition is based online and thus cannot operate if the systems or networks fail. There are measures in place which improve the resilience of the systems by sharing resources with the BSkyB Group.

Directors' report (continued)

Going concern

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

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

Directors

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

Auditors

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 auditors are 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 auditors are aware of that information.

Deloitte LLP has expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board,



R C Flint
Director
Grant Way
Isleworth
Middlesex
TW7 5QD

1 October 2010

Statement of Directors' responsibilities

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

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

properly select and apply accounting policies,
present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the 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 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 Auditors' Report to the Members of Oddschecker Services Limited

We have audited the financial statements of Oddschecker Services Limited for the year ended 30 June 2010 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 17. The financial framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 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

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 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 (APB'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.

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 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1 to the financial statements, the company in addition to applying IFRSs as adopted by European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Company financial statements comply with IFRSs as issued by IASB.

Opinion on other matters prescribed by the Companies Act 2006

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

Auditors' report

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



Timothy Powell (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

London

United Kingdom

1 October 2010

Income Statement

For the year ended 30 June 2010

	Notes	2010 £'000	2009 £'000
Revenue	2	3,900	2,497
Operating income/(expense)	3	1,971	(1,620)
Operating profit		5,871	877
Investment income	4	-	8
Finance costs	4	(85)	(361)
Profit before tax	5	5,786	524
Taxation	7	-	-
Profit for the year attributable to equity shareholders		5,786	524

The accompanying notes are an integral part of this income statement. All results relate to continuing operations.

Statement of Changes in Equity

For the year ended 30 June 2010

	Share capital £'000	Retained earnings £'000	Total shareholders' equity £'000
At 30 June 2008	-	(3,245)	(3,245)
Profit for the year	-	524	524
At 30 June 2009	-	(2,721)	(2,721)
Profit for the year	-	5,786	5,786
At 30 June 2010	-	3,065	3,065

The accompanying notes are an integral part of this statement of changes in equity

Balance Sheet

As at 30 June 2010

	Notes	2010 £'000	2009 £'000
Non-current assets			
Intangible assets	8	271	268
Property, plant and equipment	9	-	4
		271	272
Current assets			
Trade and other receivables	11	8,394	3,529
Cash and cash equivalents		2,326	478
		10,720	4,007
Total assets		10,991	4,279
Current liabilities			
Trade and other payables	12	7,926	7,000
Total liabilities		7,926	7,000
Share capital		-	-
Reserves		3,065	(2,721)
Shareholders' equity/(deficit) attributable to equity shareholders		3,065	(2,721)
Total liabilities and shareholders' equity		10,991	4,279

The accompanying notes are an integral part of this balance sheet

These financial statements of Oddschecker Services Limited, registered number 4047216 were approved by the Board of Directors on 1 October 2010 and were signed on its behalf by



R C Flint
Director
1 October 2010

Cash Flow Statement

For the year ended 30 June 2010

	Note	2010 £'000	2009 £'000
Cash flows from operating activities			
Cash generated from operations	15	6,245	1,436
Net cash from operating activities		6,245	1,436
Cash flows from investing activities			
Capitalisation of intangible assets		(196)	(170)
Net cash from investing activities		(196)	(170)
Cash flows from financing activities			
Interest received		-	8
Interest paid		(85)	(361)
Loan repayment to group companies		(4,512)	(602)
Receipt from loans to subsidiaries		398	-
Net cash from financing activities		(4,199)	(955)
Effect of foreign exchange rate changes		(2)	2
Net increase in cash and cash equivalents		1,848	313
Cash and cash equivalents at the beginning of the year		478	165
Cash and cash equivalents at the end of the year		2,326	478

The accompanying notes are an integral part of this consolidated cash flow statement

Notes to financial statements

1. Accounting policies

Oddschecker Services 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 have been prepared in accordance with International Financial reporting Standards ("IFRS") as adopted by the European Union ("EU"), the Companies Act 2006. In addition, the Group complied with IFRS as issued by the International Accounting Standards Board ("IASB")

b) Basis of preparation

The financial statements have been prepared on an historical cost basis, except for the remeasurement to fair value of financial instruments as described in the accounting policies below. The accounts have been prepared 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 2010 this date was 27 June 2010, this being a 52 week year (fiscal year 2009: 28 June 2009, 52 week period). For convenience purposes, the Company continues to date its financial statements as at 30 June.

c) 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 actual exchange rates as of the date of the transaction. Monetary assets, liabilities and commitments denominated in foreign currencies at the year end are reported at the rates of exchange at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the date of the initial transaction. Gains and losses on retranslation of assets and liabilities are included net in the profit or loss for the year, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

d) Intangible assets

Research expenditure is recognised in the income statement as the expenditure is incurred. Development expenditure (relating to the application of research knowledge to plan or design new or substantially improved products for sale or use within the business) is recognised as an intangible asset from the point at which it is probable that the Company has the intention and ability to generate future economic benefits from the development expenditure, that the development is technically feasible and that the subsequent expenditure can be measured reliably. Any other development expenditure is recognised in the income statement as incurred.

Amortisation of an intangible asset begins when the asset is available for use, and is charged to the income statement through operating expenses on a straight-line basis over the intangible assets' estimated useful life, being a period of no more than ten years, unless the asset life is judged to be indefinite. If the useful life is indefinite or the asset is not yet available for use, no amortisation is charged and an impairment test is carried out at least annually.

Notes to financial statements

1. Accounting policies (continued)

e) Property, plant and equipment ("PPE")

i. Owned assets

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment losses, (see accounting policy g), other than those that are classified as held for sale, which are stated at the lower of carrying amount and fair value less costs to sell

When an item of property, plant and equipment comprises major components having different useful economic lives, the components are accounted for as separate items of property, plant and equipment

ii Depreciation

Depreciation is provided to write off the cost, less estimated residual value, of property, plant and equipment on a straight-line basis over its estimated useful life. Land and assets that are not yet available for use, are not depreciated

Principal useful economic lives used for this purpose are

Equipment, furniture and fixtures	3 to 10 years
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f) 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.

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. 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 included as a component of cash and cash equivalents where offset conditions are met.

Notes to financial statements

1. Accounting policies (continued)

iii. Trade and other payables

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

g) Impairment

At each balance sheet date, and in accordance with IAS 36 "Impairment of Assets", the Company reviews the carrying amounts of all its assets excluding financial assets (see accounting policy f) and deferred taxation (see accounting policy j) to determine whether there is any indication that any of those assets have suffered an impairment loss.

An impairment is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price, defined as the fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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

h) 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. The Company's main source of revenue is recognised as follows:

- Revenues generated through the principal activities of providing online betting and gaming related information and content to customers are recognised in the period in which the service has been provided.

Notes to financial statements

1. Accounting policies (continued)

i) Employee benefits

Wages, salaries and social security contributions

Wages, salaries, social security contributions, bonuses payable and non-monetary benefits for current employees are recognised in the income statement as the employees' services are rendered

Pension obligations

The Company provides pensions to eligible employees through defined contribution schemes. The amount charged to the income statement in the year represents the cost of contributions payable by the Company to the scheme in exchange for employee services rendered in that year. The assets of the schemes are held independently of the Company.

Termination benefits

Termination benefits are recognised as a liability when, and only when, the Company has a demonstrable commitment to terminate the employment of an employee or group of employees before the normal retirement date or as the result of an offer to encourage voluntary redundancy.

j) Taxation, including deferred 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.

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

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

Notes to financial statements

1. Accounting policies (continued)

k) Critical accounting policies

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

i. 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. Judgement is required when evaluating when to recognise revenue.

ii. Taxation

Tax laws that apply to the Company's business may be amended by the relevant authorities, for example, as a result of changes in fiscal circumstances or priorities. Such potential amendments and their application to the Company are regularly monitored and the requirement for recognition of any liabilities assessed where necessary.

The Company is subject to income taxes and judgement is required in determining the appropriate provision for transactions where the ultimate tax determination is uncertain. In such circumstances, the Company recognises liabilities for anticipated taxes due based on the best information available and where the anticipated liability is probable and estimable. Where the final outcome of such matters differs from the amounts initially recorded, any differences will impact the income tax and deferred tax provisions in the period to which such determination is made. Where the potential liabilities are not considered probable, the amount at risk is disclosed unless an adverse outcome is considered remote.

iii. Deferred Taxation

An estimation of the current tax liability together with an assessment of the temporary differences which arise as a consequence of different tax and accounting treatments is required. Assumptions are made around the extent to which it is probable that future taxable profit will be available against which the temporary differences can be utilised and deferred tax assets are recognised at the balance sheet date based on these assumptions.

iv. Receivables

Judgement is required in evaluating the likelihood of collection of debt, including intercompany debt. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles.

Notes to financial statements

1. Accounting policies (continued)

1) 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 but are only effective for our accounting periods beginning on or after 1 July 2010, or later periods. These new standards are listed below:

- Improvements to IFRSs 2009 – various standards (effective 1 January 2010)
- Amendments to IFRS 2 “Share Based Payment – Group Cash settled Share-based Payment Transactions” (effective 1 January 2010)
- Amendment to IAS 32 “Financial Instruments – Presentation – Classification of Rights Issues” (effective 1 February 2010)
- IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” (effective 1 July 2010)
- Improvements to IFRSs 2010 – various standards (effective 1 July 2010 and 1 January 2011)
- IAS 24 Revised (2009) “Related Party Disclosures” (effective 1 January 2010)
- Amendment to IFRIC 14 “IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” (effective 1 January 2011)
- IFRS 9 “Financial Instruments” (effective 1 January 2013)

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

2. Revenue

Revenue arises from the providing of online betting and gaming related information and content to customers in the United Kingdom.

The Company does not have any separable business segments.

3. Operating expense

	2010 £'000	2009 £'000
Cost of sales	19	16
Administration costs	1,713	1,606
Exchange gains	2	(2)
Intercompany provision in year	545	-
Write back provision against intercompany debt	(4,250)	-
	(1,971)	1,620

Notes to financial statements

4. Investment income and finance costs

	2010 £'000	2009 £'000
Investment income		
Bank interest receivable	-	8
Finance costs		
Intercompany interest payable (i)	(85)	(361)
	(85)	(353)

(i) Intercompany interest payable includes interest on the loan from Oddschecker (Jersey) Limited

5. Profit before taxation

Profit before taxation is stated after charging

	2010 £'000	2009 £'000
Depreciation of property, plant and equipment	4	12
Amortisation of intangible assets	194	234

Audit fees

Amounts paid to the auditors for audit services of £10,500 (2009 £10,500) were borne by another Group subsidiary in 2010 and 2009. No amounts for other services have been paid to the auditors.

6. Employee benefits and key management compensation

	2010 £'000	2009 £'000
Wages and salaries	619	546
Social security costs	123	63
Contributions to the BSkyB Pension Plan the BSkyB "Pension Plan" (i)	43	37
	785	646

(i) The Company operates a defined contribution pension scheme through the Pension Plan. The pension charge for the year represents the cost of contributions payable by the Company to the schemes during the year. The Company's amount payable to the schemes at 30 June 2010 was £nil (2009 £nil).

The average monthly number of full-time equivalent persons (including temporary employees) employed by the Company during the year was 18 (2009 18).

Notes to financial statements

7. Taxation

a) Taxation recognised in the income statement

There is no tax charge for the year (2009 £nil)

b) Reconciliation of total tax charge

The tax expense for the year is lower (2009 lower) than the standard rate of corporation tax in the UK of 28% applied to profit before tax. The differences are explained below

	2010 £'000	2009 £'000
Profit/(loss) before tax	5,786	524
Profit before tax multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	1,620	147
Effects of		
Movement in unrecognised deferred tax asset	12	29
Group relief claimed for nil consideration	(595)	(176)
Disallowable items	153	-
Non taxable provision reversal	(1,190)	-
Taxation	-	-

All taxation relates to UK corporation tax

8. Intangible assets

	Development costs £'000
Cost	
At 1 July 2008	735
Additions	170
At 30 June 2009	905
Additions	197
At 30 June 2010	1,102
Amortisation	
At 1 July 2008	403
Amortisation for the year	234
At 30 June 2009	637
Amortisation for the year	194
At 30 June 2010	831
Carrying amounts	
At 30 June 2008	332
At 30 June 2009	268
At 30 June 2010	271

Notes to financial statements

8. Intangible assets (continued)

The estimated future amortisation charge on finite-lived intangible assets for each of the next five years is set out below. It is likely that amortisation will vary from the figures below as the estimate does not include the impact of any future investments, disposals or capital expenditure.

	2011 £'000	2012 £'000	2013 £'000	2014 £'000	2015 £'000
Estimated amortisation charge	146	93	32	-	-

9. Property, plant and equipment

	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 30 June 2008	7	135	142
At 30 June 2009	7	135	142
At 30 June 2010	7	135	142
Depreciation			
At 30 June 2008	7	119	126
Depreciation	-	12	12
At 30 June 2009	7	131	138
Depreciation	-	4	4
At 30 June 2010	7	135	142
Carrying amounts			
At 30 June 2008	-	16	16
At 30 June 2009	-	4	4
At 30 June 2010	-	-	-

10. Deferred tax

A deferred tax asset of £97,000 (2009: £85,000) arising from fixed asset timing differences has not been recognised. These amounts will be recoverable provided that suitable taxable profits will arise in the future. Although the Directors do expect sufficient profits to arise, there is currently insufficient evidence to support recognition of a deferred tax asset relating to these balances.

Notes to financial statements

11. Trade and other receivables

	2010 £'000	2009 £'000
Gross trade receivables	833	191
Less provision for impairment of receivables	(64)	(25)
Net trade receivables	769	166
Amounts receivable from other Group companies	8,101	7,518
Less provision for impairment of receivables from Group companies	(545)	(4,250)
Net receivables from Group companies	7,556	3,268
Accrued income	69	95
	8,394	3,529

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

No interest is charged on amounts due from other Group companies or subsidiaries, which are repayable on demand

The Company is exposed to credit risk on its trade and other receivables. The Company does not have any significant concentrations of credit risk, with third parties, as the exposure spread over a large number of counterparties and customers. Within the Group there is a concentration of risk within amounts receivable from other Group companies.

The ageing of the Company's net trade receivables past due or subject to impairment is as follows

	2010 £'000	2009 £'000
Within due date	750	146
Up to thirty days past due date	-	18
Thirty to sixty days past due date	-	-
Sixty to ninety days past due date	17	-
Ninety to 120 days past due date	-	2
More than 120 days past due date	2	-
	769	166

The provision for impairment of receivables of £64,000 (2009: £25,000) is held against trade receivables more than 120 days past due.

Trade receivables principally comprise amounts outstanding for commission due from bookmakers.

Notes to financial statements

11. Trade and other receivables (continued)

Provisions for doubtful debts

	2010	2009
	£'000	£'000
Balance at beginning of year	4,275	4,280
Intercompany provision in year	545	-
Intercompany debt provision write back	(4,250)	-
Amounts utilised	(13)	(5)
Income statement charge	52	-
Balance at end of year	609	4,275

12. Trade and other payables

	2010	2009
	£'000	£'000
Trade payables	38	-
Amounts payable to other Group companies	7,477	6,759
VAT	99	7
Accruals	277	230
Deferred income	35	4
	7,926	7,000

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

No interest is charged on amounts due to other Group companies, with the sole exception of the loan from Oddschecker (Jersey) Limited, where interest is charged at LIBOR plus 1%. Amounts due to other Group companies are repayable on demand

The Company received confirmation from its intercompany creditors that, for a period of 12 months from the date of 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

Notes to financial statements

13. Financial risk management objectives and policies

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
	£'000	£'000	£'000	£'000
At 30 June 2009				
Trade and other payables	-	(6,766)	(6,766)	(6,766)
Trade and other receivables	3,434	-	3,434	3,434
Cash and cash equivalents	478	-	478	478
At 30 June 2010				
Trade and other payables	-	(7,614)	(7,614)	(7,614)
Trade and other receivables	8,325	-	8,325	8,325
Cash and cash equivalents	2,326	-	2,326	2,326

The directors consider that the carrying amount of financial assets and liabilities at 30 June 2010 and 30 June 2009 approximates to their fair value

The Company's principal market risk is liquidity risk, which arises both from the Company's intercompany balances and from its operations

Liquidity risk

The Company's financial liabilities are shown in note 12

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

	Less than 12 months	Between one and two years	Between two and five years	More than 5 years
	£'000	£'000	£'000	£'000
At 30 June 2009				
Trade and other payables	(7 000)	-	-	-
At 30 June 2010				
Trade and other payables	(7 926)	-	-	-

Capital risk management

The capital structure of the Company consists of equity attributable to equity holders of the parent company, comprising issued capital, reserves and retained earnings

Risk and treasury management is governed by British Sky Broadcasting Group plc's policies approved by its board of Directors

Notes to financial statements

13. Financial risk management objectives and policies (continued)

Credit risk

The Company is exposed to default risk amounting to cash and cash equivalents of £2,326,000 (2009 £478,000)

The Company's maximum exposure to credit risk on trade receivables is the carrying amount disclosed in note 11

Further information on financial risk management is included on page 2

14. Share capital

	2010 £'000	2009 £'000
Authorised		
1,000 (2009 1,000) ordinary shares of £1 each	1	1
Allotted, called-up and fully paid		
1 (2009 1) ordinary share of £1 each	-	-

15 Notes to the Cash Flow Statement

Reconciliation of profit before taxation to cash generated from operations

	2010 £'000	2009 £'000
Profit before taxation	5,786	524
Depreciation of property, plant and equipment	4	12
Amortisation of intangible assets	194	235
Net finance costs	85	353
Exchange gains	2	(2)
	6,071	1,122
(Increase)/decrease in trade and other receivables	(32)	289
Increase in trade and other payables	206	25
Cash used in operations	6,245	1,436

16. Transactions with related parties

The Company has related party transactions with other Group companies. In particular, it is normal practice for the Company to borrow cash from other Group companies as required. For details of amounts owed to and from other Group companies, see notes 11 and 12. With the exception of Oddschecker (Jersey) Ltd, all amounts payable to other Group companies are non-interest bearing and repayable on demand.

There was £85,000 (2009 £361,000) interest charged on the inter-company loan with Oddschecker (Jersey) Ltd. This was calculated at LIBOR plus 1%. This loan is repayable on demand.

Notes to financial statements

16. Transactions with related parties (continued)

On 15 June 2010 News Corporation announced a proposal relating to a possible offer for the entire issued share capital of BSkyB not already owned by News Corporation ("the Proposal")

BSkyB announced on the same date that the Proposal, which is not a formal offer, is subject to regulatory and financing pre-conditions, which add considerable uncertainty to when and whether any formal offer could be made and that the Independent Directors of BSkyB, who have been so advised by Morgan Stanley and UBS Investment Bank, unanimously considered the terms of the Proposal to undervalue significantly BSkyB

News Corporation has confirmed that the Proposal does not amount to a firm intention to make an offer under Rule 25 of the Takeover Code and that there can be no certainty that any offer will ultimately be made even if the pre-conditions are satisfied or waived. There is no obligation on News Corporation to make such an offer and therefore it can withdraw the Proposal at its sole discretion at any time

Recognising that an offer from News Corporation could be in the interests of the BSkyB's shareholders in the future, and that obtaining any necessary merger clearances would facilitate such an offer, BSkyB has agreed to co-operate with News Corporation in seeking those clearances from the relevant authorities

If merger clearance is not granted or granted subject to a material remedy, then News Corporation will reimburse BSkyB for costs incurred up to a maximum of £20 million. Further, if News Corporation either receives merger clearance unconditionally or subject to non-material remedies prior to 31 December 2011 and fails to make a firm offer within five months thereafter, or announces prior to obtaining merger clearance that it does not intend to make a firm offer, then News Corporation will pay BSkyB a fee of £38.5 million, representing 0.5% of the value of the Proposal

17. Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of British Sky Broadcasting Group plc, 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