S.A.T.V. Publishing Limited

Annual report and financial statements for the year ended 30 June 2007

Registered number 1085975

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COMPANIES HOUSE

Directors and Officers

For the year ended 30 June 2007

Directors

S A T V Publishing Limited's ("the Company's") Directors and those who served during the year are as follows

D J Darroch

J R Murdoch

Secretary

D J Gormley

Registered office

Grant Way
Isleworth
Middlesex
TW7 5QD

Auditors

Deloitte & Touche 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 2007

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 Company's principal activity is the collection of royalties on music copyrights There have not been any significant changes in the Company's activities in the year under review 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 audited financial statements for the period ending 30 June 2007 are set out on pages 5 to 11 The profit for the year was £259,000 (2006 £230,000) The balance sheet shows that the Company's shareholders' equity position at the end of the period was £1,058,000 (2006 £799,000) The Directors do not recommend the payment of a dividend (2006 nil)

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 business

There have been no significant events since the year end

Directors

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

Principal risks and uncertainty

The Company's activities expose it to 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 a £1,000m rolling credit facility to ensure ongoing liquidity

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

Auditors

Each of the people who are a Director at the date of approval of this annual report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information
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This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte have expressed their willingness to continue as auditors and a resolution to reappoint them will be proposed at the forthcoming annual General Meeting

By order of the Board,

D. Gormley

~~D J Gormley~~
Company Secretary
Grant Way
Isleworth
Middlesex
TW7 5QD

7 April 2008

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

Independent Auditors' Report to the Members of S.A.T V Publishing Limited

We have audited the financial statements of S A T V Publishing Limited for the year ended 30 June 2007 which comprises the Income Statement, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 12 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 United Kingdom 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 circumstances of the company, 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 those IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 June 2007 and of its profit 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 IFRS

As explained in Note 1, the company, in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board Accordingly, 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 2007 and of its profit for the year then ended

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

7 **April 2008**

Income Statement for the year ended 30 June 2007

	Notes	2007 £000	2006 £000
Revenue	2	263	261
Operating expense	3	(4)	(31)
Operating profit		259	230
Profit before tax	4	259	230
Taxation	5	-	-
Profit for the year		**259**	230

The accompanying notes are an integral part of this income statement

Statement of Recognised Income and Expense for the year ended 30 June 2007

	2007 £000	2006 £000
Profit for the period	**259**	230
Total recognised income and expense for the year	**259**	230

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

Balance Sheet

As at 30 June 2007

	Notes	2007 £000	2006 £000
Current assets			
Trade and other receivables	6	1,450	648
Cash and cash equivalents		1,024	757
Total assets		2,474	1,405
Current liabilities			
Trade and other payables	7	1,416	606
Total liabilities		1,416	606
Shareholders' equity	9	1,058	799
Total liabilities and shareholders' equity		2,474	1,405

The accompanying notes are an integral part of this balance sheet

Approved and authorised for issue and signed on behalf of the Board

D J Darroch
Director

7 April 2008

Cash Flow Statement

For the year ended 30 June 2007

	Note	2007 £000	2006 £000
Cash flows from operating activities			
Cash generated from operations	10	**267**	249
Net cash from operating activities		**267**	249
Net increase in cash and cash equivalents		**267**	249
Cash and cash equivalents at the beginning of the year		**757**	508
Cash and cash equivalents at the end of the year		**1,024**	757

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

Notes to the financial statements

1. Accounting policies
S A T V Publishing Limited (the "Company") is a limited liability company incorporated in England and Wales, and domiciled in the United Kingdom ("UK")

a) Basis of preparation
The financial statements have been prepared on a historical cost basis 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 2007 this date was 1 July 2007, this being a 52 week year (fiscal year 2006 2 July 2006, 52 week year) For convenience purposes, the Company continues to date its financial statements as of 30 June

b) 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

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

d) Taxation, including deferred taxation

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

Notes to the financial statements

1. Accounting policies (continued)

e) Accounting standards, interpretations and amendments existing standards that are 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

- IFRS 7 "Financial Instruments Disclosures" (effective from 1 July 2007)
- Amendment to IAS 1 "Presentation of Financial Statements – Capital Disclosures" (effective from 1 July 2007)
- Revised guide on Implementing IFRS 4 "Insurance Contracts" (effective from 1 July 2007)
- IFRIC 10 "Interim Financial Reporting and Impairment" (effective from 1 July 2007)
- IFRIC 12 "Service Concession Arrangements" (effective from 1 July 2008)
- IFRIC 13 "Customer Loyalty Programmes" (effective from 1 July 2008)
- IFRIC 14 "IAS 19 - The limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction" (effective from 1 July 2008)
- Amendment to IAS 23 "Borrowing Costs" (effective from 1 July 2009)
- IFRS 8 "Operating Segments" (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

2. Revenue

Revenue arose from the Company's sole class of business, being the collection of royalties Revenue was derived principally from activities conducted within the United Kingdom and Ireland

The Company does not have any separable business segments

3. Operating expenses

	2007	2006
	£000	£000
Royalty expenses (licence fees)	**4**	31

4. Profit before taxation

There were no staff costs during the year, as the Company had no employees (2005 nil) Services were provided by employees of other companies within the Group (defined as BSkyB and its subsidiaries), with no charge being made for their services (2005 nil) The Directors did not receive any remuneration during either year in respect of their services to the Company

Amounts paid to the auditors for audit services of £10,500 (2006 £10,000) were borne by another Group subsidiary in 2007 and 2006 No amounts for other services have been paid to the auditors

Notes to the financial statements

5. Taxation

a) Taxation recognised in the income statement

No taxation charge was recognised in the period ended 30 June 2007 (2006 nil)

b) Factors affecting the tax charge for the year

The tax charge for the year is lower (2006 lower) than the standard rate of corporation tax in the UK (30%) applied to the profit before tax The differences are explained below

	2007 £000	2006 £000
Profit on ordinary activities before tax	**259**	230
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	**78**	69
Effects of		
Group relief claimed from other BSkyB companies for no charge	**(78)**	(69)
Current tax charge for the year	**-**	-

All taxation relates to UK corporation tax

6. Trade and other receivables

	2007 £000	2006 £000
Amounts receivable from ultimate parent company	**-**	137
Amounts receivable from other group companies	**1,450**	511
	1,450	648

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value Amounts owed by ultimate parent and fellow subsidiary undertakings are non-interest bearing and repayable on demand

7. Trade and other payables

	2007 £000	2006 £000
Amounts payable to ultimate parent company	**813**	606
Amounts payable to other group companies	**603**	-
	1,416	606

The Directors consider that the carrying amount of trade and other payables approximates to fair values Trade payables are mainly due to the parent undertaking, Sky Television Limited, are repayable on demand and bear no interest

Notes to the financial statements

8. Share capital

	2007	2006
	£	£
Authorised, allotted, called-up and fully paid		
100 ordinary shares of £1 each	**100**	100

9. Reconciliation of shareholders' equity

The movement on shareholders' equity includes all movements on reserves

	Share capital £'000	Retained earnings £'000	Total shareholders' equity £'000
As at 1 July 2005	-	569	569
Profit for the year	-	230	230
At 30 June 2006	-	799	799
Profit for the year	-	259	259
At 30 June 2007	-	**1,058**	**1,058**

10. Notes to the Cash Flow Statement

Reconciliation of profit before taxation to cash generated from operations

	2007 £000	2006 £000
Profit before taxation	**259**	230
(Increase) / decrease in trade and other receivables	**(802)**	10
Increase / (decrease) in trade and other payables	**810**	9
Cash generated from operations	**267**	249

11 Related party transactions

For details of amounts owed by and to the parent and other group companies, see notes 6 and 7

The Group's treasury function is responsible for liquidity management across the Group's operations It is standard practice for the Company to lend and borrow cash to and from subsidiaries as required

12. 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