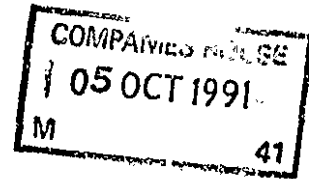


1518707



SKY TELEVISION PLC GROUP  
=====

ACCOUNTS FOR THE 15 WEEKS ENDED 13 OCTOBER 1990

TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS



The company's registered number is 1518707.

DIRECTORS:

The following served as directors during the period or have been appointed subsequently.

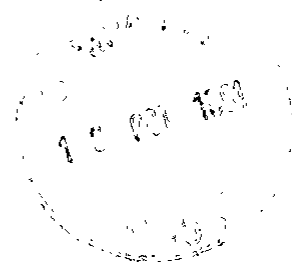
K.R. Murdoch (Chairman)  
S.H. Chisholm (appointed 1 November 1990)  
A.A. Fischer (appointed 11 February 1991)  
A.S.B. Knight (appointed 11 February 1991)  
J.D. Dux (alternate to A.A. Fischer - appointed 11 February 1991)  
G.W. Richards (alternate to A.S.B. Knight - appointed 11 February 1991)  
P.W. Stehrenberger (alternate to S.H. Chisholm - appointed 11 February 1991)  
A.F. Neil (resigned 11 February 1991)  
P. Mastandrea (resigned 11 February 1991)  
G.D. Davey (Managing Director - resigned and appointed alternate to K.R. Murdoch  
11 February 1991)  
C.J. Allwood (resigned 11 February 1991)  
S.M. Till (resigned 11 February 1991)  
D.J. Montgomery (resigned 11 February 1991)  
M. Ruda (resigned 11 February 1991)  
R.H. Searby (resigned 11 February 1991)  
Sir James Cruthers (resigned 11 February 1991)

SECRETARY:

E. Rogers

REGISTERED OFFICE:

PO Box 495  
Virginia Street  
London  
E1 9XY



DIRECTORS' REPORT

FOR THE 15 WEEKS ENDED 13 OCTOBER 1990

The directors present their annual report on the affairs of the group, together with the accounts and auditors' report, for the 15 weeks ended 13 October 1990. Comparative information is for the year ended 30 June 1990.

On 28 June 1991 the company changed its accounting reference date from 30 June to 13 October.

**PRINCIPAL ACTIVITY AND BUSINESS REVIEW:**

At 13 October 1990 the principal activity of the group ("Sky") continued to be the transmission of an English language satellite television broadcasting service.

The group commenced its multi-channel broadcasting activities on the Astra 1A satellite in February 1989. By October 1990, Sky's programming was received in 1.7 million homes in the United Kingdom and Eire and the number of homes connected was increasing.

On 26 September 1990, the company acquired Tele-Aerials Satellite Limited ("TAS") one of the companies which installed Sky television receiving equipment. This acquisition is detailed in Note 12.

**SUBSEQUENT EVENTS:**

On 3 November 1990, the interests of News International plc in the share capital and loan stock of the company were acquired by British Satellite Broadcasting Limited ("BSB"), subsequently renamed British Sky Broadcasting Limited ("BSkyB") on 19 December 1990.

As is more fully explained in Note 1, following the combination of Sky and BSB, the new management of the combined group decided to sell the majority of the group's database of satellite television receiving equipment rental and hire purchase customers, and related assets, to Granada UK Rental and Retail Limited.

Further, in February 1991 the EC Commission ruled that the arrangements in place in respect of the Eurosport channel were in contravention of Article 85(1) of the Treaty of Rome and consequently Sky ended its involvement with the channel on 6 May 1991.

## DIRECTORS' REPORT (Continued)

### SUBSEQUENT EVENTS (Continued):

These events have resulted in losses and write-offs totalling £105 million which will be recorded in the accounting period commencing 14 October 1990.

The expanded group of companies now broadcasts between them five channels which are broadcast simultaneously on both Astra and Marcopolo satellites.

### FINANCIAL POSITION OF THE GROUP:

The group operating loss for the period was £59,102,000 (year ended 30 June 1990 - £194,547,000). An amount of £105,350,000 was received during the period for prior year and current period tax losses surrendered to News International plc.

As is more fully explained in Note 21, the shareholders of BSkyB have entered into an agreement to provide further funds to the group.

### GROUP RESULTS FOR THE PERIOD:

Results are as follows-

	£000
Accumulated deficit at beginning of period	(342,225)
Loss for the period before taxation	(60,261)
Tax credit	105,350
Translation gain for the period	181
	-----
Accumulated deficit at end of period	(296,955)
	=====

No dividends have been paid or proposed for the period.

### FIXED ASSETS:

The movements in tangible fixed assets during the period are set out in Note 11 to the accounts.

### DIRECTORS AND THEIR INTERESTS:

The directors of the company during the period are shown on page 1.

None of the directors held any shares in the company as at 13 October 1990.

# DIRECTORS' REPORT (Continued)

## DIRECTORS AND THEIR INTERESTS (Continued):

Two directors, Mr K.R. Murdoch and Mr R.H. Searby held ordinary shares of 50 cents Australian in The News Corporation Limited, the ultimate holding company. The interests held were 7,200 and 8,500 shares respectively at both 13 October 1990 and 30 June 1990.

Mr K.R. Murdoch is deemed to have a relevant interest in shares of The News Corporation Limited in which the undermentioned companies have interests as follows--

	Ordinary shares of 50 cents Australian in The News Corporation Limited	
	13 October 1990	30 June 1990
Cruden Investments Pty. Limited	116,133,648	116,133,648
Kayarem Pty. Limited	4,118,000	4,118,000
	=====	=====

The interest of the directors of the company as at 13 October 1990 in options on ordinary shares of 50 cents Australian in The News Corporation Limited are as follows--

	At Aus \$10.22, Aus \$11.75 or Aus \$13.90	
	13 October 1990	30 June 1990
R.H. Searby	100,000	100,000
A.F. Neil	150,000	150,000
G.D. Davey	40,000	40,000
C.J. Allwood	15,000	15,000
S.M. Till	15,000	15,000
D.J. Montgomery	75,000	75,000
Sir James Cruthers	50,000	50,000
	=====	=====

## SUBSTANTIAL SHAREHOLDINGS:

At 13 October 1990, News International plc held ordinary shares and convertible stock in the company which carry more than 5 per cent of the votes exercisable in general meeting. The interests of News International plc at 13 October 1990 were as follows--

Number of 'A' ordinary shares of £1 each	734,532
'A' Convertible unsecured loan stock	£120,838,978
Voting rights in general meeting as a percentage of total voting rights (95.82% following full conversion of all loan stock)	95.55%

These interests were acquired by BSB on 3 November 1990.

## DIRECTORS' REPORT (Continued)

### CHARITABLE AND POLITICAL CONTRIBUTIONS:

No political or charitable contributions were made during the period (1990 - nil and £4,045 respectively).

### EMPLOYMENT OF DISABLED PERSONS:

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

### EMPLOYEE CONSULTATION:

It is the policy of the group to develop employee involvement throughout the organisation and to ensure that they are aware of the financial and economic factors affecting the company and its subsidiary undertakings.

Communications meetings between management and employees' representatives are held both formally and informally, where matters of specific interest are discussed. Consultation with employees or their representatives occurs on a regular basis covering pensions, health and safety and their views are taken into consideration when making decisions. A range of training programmes is held for employees.

### AUDITORS:

The directors will place a resolution before the annual general meeting to re-appoint Arthur Andersen & Co. as auditors for the ensuing year.

BY ORDER OF THE BOARD,

E. Rogers  
Secretary

1 October 1991

# ARTHUR ANDERSEN & Co.

1 SURREY STREET  
LONDON WC2R 2PS

Auditors' Report to the Members of SKY TELEVISION PLC:

We have audited the accounts on pages 7 to 32 in accordance with Auditing Standards.

In our opinion, the accounts give a true and fair view of the state of affairs of the company and the group at 13 October 1990 and of the group profit and source and application of funds for the financial period then ended and have been properly prepared in accordance with the Companies Act 1985.

Without qualifying our opinion above, we draw attention to Notes 1 and 21. Note 1 refers to the acquisition of the company by British Satellite Broadcasting Limited on 3 November 1990 and the subsequent events which resulted in losses and write-offs totalling £105 million which have not been reflected in the accounts as at 13 October 1990. Note 21 refers to an agreement dated 11 May 1991 between British Sky Broadcasting Limited, the immediate parent company of Sky Television PLC at that date, and its principal shareholders, to provide additional funding to the British Sky Broadcasting group, including Sky Television PLC.

*Arthur Andersen & Co*

*Chartered Accountants and Registered Auditors*

London

1 October 1991

SKY TELEVISION PLC GROUP

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE 15 WEEKS ENDED 13 OCTOBER 1990

	<u>Notes</u>	15 weeks ended 13 October 1990 £000	Year ended 30 June 1990 £000
TURNOVER	3	30,953	35,900
Cost of sales		(68,386)	(108,371)
GROSS LOSS		(37,433)	(72,471)
Other operating expenses (net)	4	(13,841)	(23,536)
Exceptional items	5	(7,828)	(98,540)
OPERATING LOSS		(59,102)	(194,547)
Interest receivable and similar income	6	1,117	2,225
Interest payable and similar charges	7	(2,276)	(35,583)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	8	(60,261)	(227,905)
Taxation	10	105,350	-
PROFIT (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		45,089	(227,905)
RETAINED PROFIT (LOSS) FOR THE PERIOD	18	45,089	(227,905)

Details of movements in reserves are shown in Note 18.

The accompanying notes are an integral part of this profit and loss account.



SKY TELEVISION PLC GROUP

CONSOLIDATED BALANCE SHEET -- 13 OCTOBER 1990

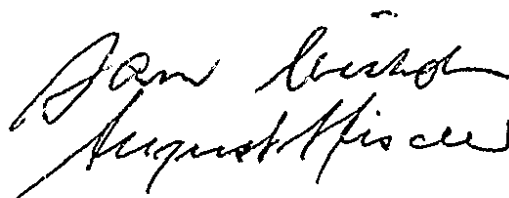
	<u>Notes</u>	<u>13 October 1990 £000</u>	<u>30 June 1990 £000</u>
<b>FIXED ASSETS</b>			
Tangible assets	11	169,125	155,368
Investments	12	16	19
		<u>169,141</u>	<u>155,387</u>
<b>CURRENT ASSETS</b>			
Stocks	13	61,290	63,601
Debtors	14	122,076	127,707
Cash at bank and in hand		29,787	10,932
		<u>213,153</u>	<u>202,240</u>
CREDITORS: Amounts falling due within one year	15	(551,360)	(571,963)
NET CURRENT LIABILITIES		<u>(338,207)</u>	<u>(369,723)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(169,066)</u>	<u>(214,336)</u>
CREDITORS: Amounts falling due after more than one year	16	(126,200)	(126,200)
		<u>(295,266)</u>	<u>(340,536)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	17	807	807
Share premium account	18	882	882
Profit and loss account	18	(296,955)	(342,225)
		<u>(295,266)</u>	<u>(340,536)</u>

SIGNED ON BEHALF OF THE BOARD

Sam Chisholm

Director

AUGUST A. FISCHER DIRECTOR  
1 October 1991



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

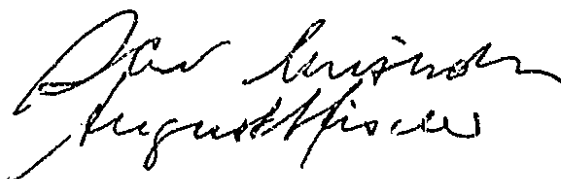
SKY TELEVISION PLC

BALANCE SHEET -- 13 OCTOBER 1990

	<u>Notes</u>	<u>13 October 1990 £000</u>	<u>30 June 1990 £000</u>
<b>FIXED ASSETS</b>			
Tangible assets	11	29,130	27,884
Investments	12	1,109	109
		<u>30,239</u>	<u>27,993</u>
<b>CURRENT ASSETS</b>			
Stocks	13	60,890	63,601
Debtors	14	165,676	164,527
Cash at bank and in hand		-	6,095
		<u>226,566</u>	<u>234,223</u>
CREDITORS: Amounts falling due within one year	15	(378,956)	(401,799)
NET CURRENT LIABILITIES		<u>(152,390)</u>	<u>(167,576)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(122,151)</u>	<u>(139,583)</u>
CREDITORS: Amounts falling due after more than one year	16	(126,200)	(126,200)
		<u>(248,351)</u>	<u>(265,783)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	17	807	807
Share premium account	18	882	882
Profit and loss account	18	(250,040)	(267,472)
		<u>(248,351)</u>	<u>(265,783)</u>

SIGNED ON BEHALF OF THE BOARD

Sam Chisholm                      Director  
 AUGUST A. FISCHER            DIRECTOR  
 1 October 1991



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

SKY TELEVISION PLC GROUP

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE 15 WEEKS ENDED 13 OCTOBER 1990

	15 weeks ended 13 October 1990 £000	Year ended 30 June 1990 £000
<b>SOURCE OF FUNDS</b>		
Profit (loss) on ordinary activities after taxation	45,089	(227,905)
Items not involving cash flow during the period		
- depreciation	30,748	20,326
- write-off of tangible fixed assets	-	33,000
- loss on disposal of fixed assets	-	29
- movements in profit retained in associated company after taxation	3	(19)
	-----	-----
Total funds generated (absorbed) by operations	75,840	(174,569)
Decrease in debtors due after more than one year	5,559	2,076
Proceeds from disposal of tangible fixed assets	-	257
Increase in net current liabilities as shown below	-	358,317
	-----	-----
	81,399	186,081
	=====	=====
<b>APPLICATION OF FUNDS</b>		
Purchase of tangible fixed assets	43,604	184,297
Purchase of Tele-Aerials Satellite Limited (see page 11)	901	-
Decrease in creditors due after more than one year	-	1,784
Decrease in net current liabilities, as shown below	36,894	-
	-----	-----
	81,399	186,081
	=====	=====
<b>INCREASE (DECREASE) IN NET CURRENT LIABILITIES</b>		
Stocks	2,311	(15,924)
Debtors	72	(37,027)
Creditors falling due within one year, excluding bank loans and overdrafts	(50,878)	488,716
Foreign exchange attributable to monetary assets and liabilities of overseas subsidiary undertakings	181	32
	-----	-----
	(48,314)	435,797
Movement in net liquid funds		
- cash at bank and in hand	(18,855)	(10,190)
- bank loans and overdrafts	30,275	(67,290)
	-----	-----
	(36,894)	358,317
	=====	=====

SKY TELEVISION PLC GROUP

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE 15 WEEKS ENDED 13 OCTOBER 1990 (Continued)

The movement in funds relating to the acquisition of Tele-Aerials Satellite Limited is as follows-

	<u>£000</u>
Purchase consideration	(1,000)
Net current assets acquired	99
	<u>-----</u>
Net movement in funds	(901)
	<u>-----</u>
Fixed assets acquired	901
	<u>=====</u>

The accompanying notes are an integral part of this statement.

## SKY TELEVISION PLC GROUP

### NOTES TO ACCOUNTS -- 13 OCTOBER 1990

#### 1. POST BALANCE SHEET EVENTS:

On 3 November 1990, the interests of News International plc in the share capital and loan stock of Sky Television PLC ("Sky") were acquired by British Satellite Broadcasting Limited ("BSB"), subsequently renamed British Sky Broadcasting Limited ("BSkyB") on 19 December 1990.

In addition to acquiring News International plc's holding of 734,532 'A' ordinary shares of £1 each and its £120,838,978 of 'A' convertible unsecured loan stock 1997, BSB also acquired a debenture in an amount of £355,000,000. This was issued by Sky in consideration for the net amounts owed by Sky (excluding an amount of £60,550,000 which continues to be payable to News International plc in respect of prepaid rentals for the Astra transponders) to News International plc as at 3 November 1990, after the cash at bank and bank overdraft balances of Sky had been transferred to News International plc.

Following this acquisition, the new management of the combined group took the decision to sell the majority of the group's satellite television receiving equipment rental and hire purchase customer database and related assets. Accordingly, a majority of the group's database of rental and hire purchase customers, and related assets, were transferred to Granada UK Rental and Retail Limited, a related party, on 15 May 1991 for consideration of approximately £27 million. Further amounts of the order of £17 million were received for the sale of equipment back to manufacturers or to third parties. A loss of some £25 million was recorded in respect of these sales. In addition to this loss, further write-offs of equipment of approximately £63 million and of loans of approximately £4 million were recorded, and amounts totalling £12 million were paid in order to terminate contractual commitments for equipment.

Accordingly, the total loss arising from the decision to sell the rental and hire purchase database was £104 million.

In February 1991 the EC Commission ruled that the arrangements in place between Sky and the Eurosport Consortium (a consortium of European Broadcasting Union members) were in contravention of Article 85(1) of the Treaty of Rome. Accordingly, Sky attempted to sell its interest in the channel but was unable to find a buyer. Consequently, on 6 May 1991, the channel was taken off the air and the arrangements with the Eurosport Consortium were terminated. The Astra 1A transponder will be reassigned to the company from the Eurosport Consortium in settlement of the loan due from the consortium. Provisions for further contractual payments of the order of £1 million will be recorded as a result of the cessation of Sky's involvement with the channel.

None of the above events have been reflected in the accounts of the group or company at 13 October 1990 as they arose as a consequence of the combination with BSB and the decision by the EC Commission, and accordingly do not represent adjusting post balance sheet events which are defined in SSAP 17 as events which provide additional evidence of conditions existing at the balance sheet date. As a result, the total losses and write-offs arising from these events of £105 million will be recorded in the accounting period commencing on 14 October 1990.

## NOTES TO ACCOUNTS (Continued)

### 1. POST BALANCE SHEET EVENTS (Continued):

As a consequence of the above decisions, significant write-downs will be recorded against the investments in, and amounts receivable from, Sky Subscribers Services Limited and Tele-Aerials Satellite Limited in the company's balance sheet in the accounting period commencing 14 October 1990.

### 2. ACCOUNTING POLICIES:

The principal accounting policies, all of which have been applied consistently throughout the period and with the preceding period, are-

#### a) Basis of accounting

The accounts have been prepared under the historical cost convention. The group accounts have been prepared in accordance with applicable accounting standards.

The company has taken advantage of the exemption in s.230 of the Companies Act 1985 not to present its own profit and loss account. The company's profit for the period is disclosed in Note 18.

#### b) Basis of consolidation

The group accounts are made up to 13 October 1990 and consolidate the accounts of Sky Television PLC and all its subsidiary undertakings. Certain subsidiary undertakings do not have a coterminous accounting reference date as they continue to have a 30 June reference date. All balances in respect of such companies are wholly immaterial to the group.

In the company's accounts investments in subsidiary undertakings are stated at cost. No dividends have been paid by the subsidiary undertakings.

Satellite Sport Services Limited, a company in which Sky has an interest of 50% of the voting capital and over which it exerts significant influence is treated as an associated undertaking and accounted for under the equity method.

#### c) Turnover

Turnover, which excludes value added tax, represents the invoiced value of advertising, movie subscriptions, equipment rental and other revenues.

#### d) Cost of sales

Cost of sales represents the cost of broadcasting the satellite television channels, including transmission costs, programme costs and depreciation of technical equipment. Depreciation of capitalised satellite television receiving equipment is also included within cost of sales.

#### e) Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided to write off the cost, less estimated residual value, of each asset, on a straight-line basis, over its estimated useful life. Principal annual rates used for this purpose are-

## NOTES TO ACCOUNTS (Continued)

### 2. ACCOUNTING POLICIES (Continued):

#### e) Fixed assets (continued)

Furniture and fittings	10% - 25%
Plant and machinery	5% - 33%
Motor vehicles	25%
Leasehold improvements	4%
Satellite television receiving equipment	33%

#### f) Development and implementation costs

Costs attributable to the development and implementation by Sky Television of multi-channel broadcasting are written off as incurred and classified as an exceptional item.

#### g) Stocks

Stocks, apart from television programme rights, are stated at the lower of cost and net realisable value.

Television programme rights are stated at cost less accumulated amortisation. Provisions are made for any excess or obsolete programme rights. Direct costs of own productions are included within the cost of programme rights. Cost of programme rights, and the related liability, are recorded at cost when the programmes are both available for transmission and payable under contract terms.

Contractual obligations for programme rights not yet available for transmission are not included in the cost of television programme rights but are disclosed under capital commitments, authorised and contracted for, in Note 19.

Amortisation is provided to write off the costs of television programme rights as follows-

Sports and current affairs	- 100% on first showing
General entertainment	- Reducing balance on each transmission at the following rates: 1 showing planned - 100% 2 showings planned - 60% : 40% 3 showings planned - 50% : 30% : 20% 4 showings planned - 40% : 30% : 20% : 10%
Movies	- Straight-line basis over period of transmission rights.

The current portion of programme rights represents the estimated amount to be amortised in the next financial period. The related liabilities are classified as current or non-current in accordance with payment terms.

#### h) Prepaid transponder rentals

Payments made in advance to secure distribution channels on the Astra satellite are recorded as prepaid transponder rentals and included in debtors. These payments are amortised, on a straight-line basis, to the profit and loss account over the ten year rental period.

## NOTES TO ACCOUNTS (Continued)

### 2. ACCOUNTING POLICIES (Continued):

#### i) Taxation

Corporation tax payable is provided at current rates on all taxable profits.

Losses are surrendered between companies in the Sky Television PLC group for no consideration. Credit is taken for amounts received for losses surrendered to other companies in the News International plc group in the period in which the surrender takes place.

No credit is recognised for losses carried forward.

#### j) Foreign currency

Trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at the period end.

#### k) Pension costs

Certain employees of the group are members of the News International plc pension scheme. The scheme is a defined contribution pension scheme and contributions to the scheme are charged to the profit and loss account on an accruals basis.

#### l) Leases

Rentals payable under operating leases are charged to the profit and loss account in the period in which they are incurred.

### 3. SEGMENT INFORMATION:

All turnover is derived from the group's sole class of business, being satellite television broadcasting together with certain ancillary functions, and arises from activities conducted from the United Kingdom.

	15 weeks ended 13 October 1990 £000	Year ended 30 June 1990 £000
Contributions to group turnover by geographical area by destination-		
United Kingdom	29,543	32,913
Europe	1,103	4,008
Other	307	-
	<hr/> 30,953	<hr/> 36,921
Less: exceptional item (see Note 5)	-	(1,021)
	<hr/> 30,953	<hr/> 35,900
	<hr/> <hr/>	<hr/> <hr/>



NOTES TO ACCOUNTS (Continued)

4. OTHER OPERATING EXPENSES (NET):

	15 weeks ended 13 October 1990 £000	Year ended 30 June 1990 £000
Selling and marketing costs	6,999	18,252
Administrative expenses	6,842	26,118
	-----	-----
	13,841	44,370
Less: exceptional item (see Note 5)	-	(20,834)
	-----	-----
	13,841	23,536
	=====	=====

5. EXCEPTIONAL ITEMS:

Details of exceptional items are as follows-

	15 weeks ended 13 October 1990 £000	Year ended 30 June 1990 £000
Write-down of loans due from sales companies (see below)	7,828	10,000
Write-down of plant and equipment and associated costs (see below)	-	30,000
Broadcasting development and implementation costs (see below)	-	58,540
	-----	-----
	7,828	98,540
	=====	=====

The write-down of loans due from sales companies represents provisions against amounts claimed back from sales companies for commission paid on contracts issued which did not result in a new subscriber. The amounts were being recovered by a deduction from commission paid on each subsequent sale resulting in an installation, and at 30 June 1990 a provision of £10 million was recorded to recognise that the recovery of these amounts was uncertain. A further provision of £7,828,000 has been recorded at 13 October based on more up to date information as to the amounts being recovered.

The write-down of plant and equipment and associated costs in the year to 30 June 1990 represented provisions against equipment out on rental which may not be recoverable by the group or which may not generate income in the future.

# NOTES TO ACCOUNTS (Continued)

## 5. EXCEPTIONAL ITEMS (Continued):

The broadcasting development and implementation costs for the year ended 30 June 1990 comprise-

	Year ended 30 June 1990 £000
Broadcasting costs	35,208
Less: advertising and other revenue (see Note 3)	(1,021)
Broadcasting costs (net)	34,187
Other operating expenses (see Note 4)	20,834
Interest payable and similar charges (see Note 7)	3,519
	58,540
	=====

These costs represented the total costs of the multi-channel broadcasting activities of the group from February 1989 to the end of the development and implementation period. The directors consider that the development and implementation period ended on 31 August 1989 with the commencement of the equipment rental operation (28 February 1990 in the case of the movie channel, the deemed date of encryption of the channel).

## 6. INTEREST RECEIVABLE AND SIMILAR INCOME:

	15 weeks ended 13 October 1990 £000	Year ended 30 June 1990 £000
Interest receivable on Eurosport loan (see Note 14)	411	1,718
Other interest receivable and similar income	706	507
	1,117	2,225
	=====	=====

# NOTES TO ACCOUNTS (Continued)

## 7. INTEREST PAYABLE AND SIMILAR CHARGES:

	15 weeks ended 13 October 1990 £000	Year ended 30 June 1990 £000
On bank loans, overdrafts and other loans- repayable within 5 years, not by instalments	2,255	39,029
On unsecured loan stock 1992/1995 (see Note 16)	21	73
	-----	-----
	2,276	39,102
Less: exceptional item (see Note 5)	-	(3,519)
	-----	-----
	2,276	35,583
	=====	=====

## 8. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION:

Loss on ordinary activities before taxation is stated after charging-

	15 weeks ended 13 October 1990 £000	Year ended 30 June 1990 £000
Depreciation	30,748	20,326
Auditors' remuneration	-	196
Rent paid on short term leases	334	889
Loss on disposal of fixed assets	-	29
Staff costs (see Note 9)	8,090	21,351
	=====	=====

The auditors' remuneration for the period was borne by News International plc.

Included in the above are the following balances included in exceptional items (see Note 5):-

	£000	£000
Depreciation	-	690
Auditors' remuneration	-	20
Rent paid on short term leases	-	80
Staff costs	-	2,739
	=====	=====

NOTES TO ACCOUNTS (Continued)

9. STAFF COSTS:

Employee costs, including executive directors, during the period amounted to-

	15 weeks ended 13 October 1990 <u>£000</u>	Year ended 30 June 1990 <u>£000</u>
Wages and salaries	7,163	19,132
Social security costs	776	1,893
Other pension costs	151	326
	<u>-----</u>	<u>-----</u>
	8,090	21,351
	<u>=====</u>	<u>=====</u>

The average weekly number of persons employed by the group during the period was as follows-

	15 weeks ended 13 October 1990 <u>Number</u>	Year ended 30 June 1990 <u>Number</u>
Production	593	603
Transmission	27	33
Network	35	45
Sales	24	27
Subscribers services	145	133
Administration	177	201
	<u>-----</u>	<u>-----</u>
	1,001	1,042
	<u>=====</u>	<u>=====</u>

Directors' remuneration is as shown below-

	15 weeks ended 13 October 1990 <u>£000</u>	Year ended 30 June 1990 <u>£000</u>
Fees as directors	74	545
Other emoluments (including pension contributions)	16	115
	<u>-----</u>	<u>-----</u>
	90	660
	<u>=====</u>	<u>=====</u>

# NOTES TO ACCOUNTS (Continued)

## 9. STAFF COSTS (Continued):

The directors' remuneration shown above included-

	15 weeks ended 13 October 1990 £000	Year ended 30 June 1990 £000
Chairman		
A.F. Neil (to 1 February 1990)	-	-
K.R. Murdoch (from 1 February 1990)	-	-
	=====	=====
Highest paid director	46	226
	=====	=====

Other directors received emoluments (excluding pension contributions) in the following ranges-

	<u>Number</u>	<u>Number</u>
Up to £ 5,000	5	5
£ 10,001 - £ 15,000	1	-
£ 25,001 - £ 30,000	1	-
£ 45,001 - £ 50,000	-	1
£ 55,001 - £ 60,000	-	1
£130,001 - £135,000	-	1
£165,001 - £170,000	-	1
	----	----
	7	9
	===	===

## Pensions-

Certain employees of the group are members of the News International plc pension scheme. The scheme is a defined contribution pension scheme. The pension charge for the period represents contributions payable by the group to the fund and amounted to £151,000 (year ended 30 June 1990 - £326,000). Contributions totalling £1,000 (30 June 1990 - £1,000) were payable at the period end and are included in creditors.

## 10. TAXATION:

The tax credit is based upon group relief payments received in the period and comprises-

	15 weeks ended 13 October 1990 £000	Year ended 30 June 1990 £000
Payment received for current period and prior year losses surrendered to News International plc	105,350	-
	=====	=====

Accumulated losses of approximately £10 million (30 June 1990 - £10 million) have been carried forward and are available for offset against future profits of the company from the same trade.

NOTES TO ACCOUNTS (Continued)

11. TANGIBLE FIXED ASSETS:

Group-

The movement in the period was as follows-

	<u>Leasehold improvements</u> £000	<u>Plant and motor vehicles</u> £000	<u>Satellite television receiving equipment</u> £000	<u>Fixtures and fittings</u> £000	<u>Total</u> £000
<b>COST-</b>					
Beginning of period	13,592	22,744	138,755	2,362	177,453
Additions	1,032	1,853	40,561	158	43,604
Disposals	-	-	-	-	-
Other	-	1,122	-	-	1,122
	<u>14,624</u>	<u>25,719</u>	<u>179,316</u>	<u>2,520</u>	<u>222,179</u>
<b>DEPRECIATION-</b>					
Beginning of period	607	5,014	16,278	186	22,085
Charge	170	1,496	28,988	94	30,748
Disposals	-	-	-	-	-
Other	-	221	-	-	221
	<u>777</u>	<u>6,731</u>	<u>45,266</u>	<u>280</u>	<u>53,054</u>
<b>NET BOOK VALUE</b>					
Beginning of period	<u>12,985</u>	<u>17,730</u>	<u>122,477</u>	<u>2,176</u>	<u>155,368</u>
End of period	<u>13,847</u>	<u>18,988</u>	<u>134,050</u>	<u>2,240</u>	<u>169,125</u>

"Other" movements in fixed assets relate to the assets acquired on the purchase of a subsidiary undertaking, Tele-Aerials Satellite Limited, in September 1990.

Following the combination with BSB, the decision was taken to sell the majority of the group's satellite television receiving equipment rental and hire purchase customer database, and related assets, to Granada UK Rental and Retail Limited, as set out in more detail in Note 1.

NOTES TO ACCOUNTS (Continued)

11. TANGIBLE FIXED ASSETS (Continued):

Company:-

The movement in the period was as follows:-

	<u>Leasehold improvements</u> £000	<u>Plant and motor vehicles</u> £000	<u>Fixtures and fittings</u> £000	<u>Total</u> £000
<b>COST-</b>				
Beginning of period	12,671	19,642	1,378	33,691
Additions	1,032	1,581	97	2,710
Disposals	-	-	-	-
End of period	13,703	21,223	1,475	36,401
<b>DEPRECIATION-</b>				
Beginning of period	607	5,014	186	5,807
Charge	143	1,276	45	1,464
Disposals	-	-	-	-
End of period	750	6,290	231	7,271
<b>NET BOOK VALUE</b>				
Beginning of period	12,064	14,628	1,192	27,884
End of period	12,953	14,933	1,244	29,130

12. FIXED ASSET INVESTMENTS:

Fixed asset investments in the company balance sheet represent the cost of the share capital of wholly owned subsidiary undertakings.

Details of the subsidiary undertakings which principally affected the results and net assets of the group are as follows-

<u>Name</u>	<u>Country of registration</u>	<u>Description and proportion of shares held (%)</u>	<u>Principal activity</u>
Satellite Sport Sales Limited	England	100 ordinary shares of £1 each (100%)	Selling advertising space on Eurosport channel
Sky Subscribers Services Limited	England	2 ordinary shares of £1 each (100%)	Providing ancillary functions supporting the satellite television broadcasting operations of Sky Television PLC

NOTES TO ACCOUNTS (Continued)

12. FIXED ASSET INVESTMENTS (Continued):

Investment in subsidiary undertakings-

	<u>13 October</u> <u>1990</u> <u>£000</u>	<u>30 June</u> <u>1990</u> <u>£000</u>
COST-		
Beginning of period	109	58
Additions	1,000	51
	-----	-----
End of period	1,109	109
	=====	=====

Additions in the period represent amounts paid for Tele-Aerials Satellite Limited ("TAS"). Of this balance, £750,000 was paid to the administrator of TAS's former parent, Parkfield Group plc, and £250,000 was paid to several former shareholders of TAS to secure the release of liens held over the shares of TAS. The balance sheet of TAS has been consolidated in the group balance sheet.

Investment in associated undertaking-

Sky holds 50 ordinary shares of £1 each (representing a 50% interest) in Satellite Sport Services Limited. The fixed asset investments balance in the consolidated balance sheet includes £16,000 (30 June 1990 - £19,000) for the group's share of the profit retained in this company. An amount receivable for cash advances made to this company is included in debtors.

13. STOCKS:

Stocks comprise-

	<u>Group</u>		<u>Company</u>	
	<u>13 October</u> <u>1990</u> <u>£000</u>	<u>30 June</u> <u>1990</u> <u>£000</u>	<u>13 October</u> <u>1990</u> <u>£000</u>	<u>30 June</u> <u>1990</u> <u>£000</u>
Television programme rights	60,855	63,558	60,855	63,558
Raw material and consumables	435	43	35	43
	-----	-----	-----	-----
	61,290	63,601	60,890	63,601
	=====	=====	=====	=====

The estimated amount of existing television programme rights to be amortised in the next financial period is £36,000,000 (year ended 30 June 1990 - £49,000,000).

In addition, approximately £10,316,000 (year ended 30 June 1990 - £10,919,000) of television programme rights relate to advance payments to secure certain rights to transmit future movie productions.



NOTES TO ACCOUNTS (Continued)

14. DEBTORS:

Amounts falling due within one year-

	<u>Group</u>		<u>Company</u>	
	13 October 1990	30 June 1990	13 October 1990	30 June 1990
	£000	£000	£000	£000
Trade debtors	13,372	8,226	7,509	4,581
Due from subsidiary undertakings	-	-	65,194	66,871
Due from fellow subsidiary undertakings of The News Corporation Limited	479	-	434	-
Due from associated undertaking	21,328	16,725	21,328	16,725
Prepayments and accrued income	5,303	6,122	1,408	1,157
Prepaid transponder rentals	5,532	5,332	5,532	5,332
Eurosport loan	5,032	4,495	5,032	4,495
VAT	3,421	8,912	1,790	6,326
Other debtors	8,480	7,199	3,431	2,690
Other loans	3,000	9,008	-	-
	-----	-----	-----	-----
	65,947	66,019	111,658	108,177

Amounts falling due after more than one year-

Prepaid transponder rentals	40,450	42,245	40,450	42,245
Eurosport loan	13,568	14,105	13,568	14,105
Prepayments and accrued income	-	338	-	-
Other loans	2,111	5,000	-	-
	-----	-----	-----	-----
	122,076	127,707	165,676	164,527
	=====	=====	=====	=====

The Eurosport loan is a loan made to a consortium of European Broadcasting Union members who operated the Eurosport channel until transmission of the channel ceased in May 1991. Following the termination of the arrangements with the consortium, as detailed in Note 1, the balance of this loan will be satisfied by the transfer of the Astra transponder, used to broadcast the Eurosport channel, from the consortium to the company.

The amount due from associated undertaking is an interest free intercompany loan repayable on demand.

Other loans comprise amounts due from satellite receiver equipment installation companies (£4.1 million of which £2 million is current) and from sales companies for commission paid on contracts issued in excess of installations made (£1 million after exceptional write-downs of £17,828,000 detailed in Note 5, all of which is current). These amounts were being recovered by a deduction from the cost of each subsequent installation and from the commission on each subsequent sale resulting in an installation, respectively.

# NOTES TO ACCOUNTS (Continued)

## 14. DEBTORS (Continued):

As a result of the decision taken after the combination with DSB, which is detailed in Note 1, to sell the majority of the group's satellite television receiving equipment rental and hire purchase customer database, and related assets, to Granada UK Rental and Retail Limited, the balance of amounts due from equipment installation and sales companies became irrecoverable and write-offs of £3.7 million and £0.6 million will be recorded in the accounting period commencing 14 October 1990.

All transactions with fellow subsidiary undertakings of News International plc or with subsidiary undertakings of the ultimate parent company are conducted on an arms length basis.

## 15. CREDITORS- AMOUNTS FALLING DUE WITHIN ONE YEAR:

	<u>Group</u>		<u>Company</u>	
	13 October	30 June	13 October	30 June
	1990	1990	1990	1990
	£000	£000	£000	£000
Bank loans and overdrafts	63,904	33,629	61,526	-
Trade creditors	47,295	54,190	30,174	19,443
Due to News International plc	376,804	444,769	270,830	374,169
Due to fellow subsidiary undertakings of The News Corporation Limited	7,297	3,365	4,997	3,365
Social security and PAYE	1,126	746	1,127	705
Accruals	41,825	30,429	8,521	3,398
Other creditors	13,109	4,835	1,781	719
	-----	-----	-----	-----
	551,360	571,963	378,956	401,799
	=====	=====	=====	=====

The bank loans and overdrafts were guaranteed by the immediate parent company.

All intercompany loans are interest free except to the extent that they represent bank overdrafts held on behalf of the group, in which case the external interest charged by the banks is charged on to the group. There are no set repayment terms for these loans.

NOTES TO ACCOUNTS (Continued)

16. CREDITORS- AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:

	<u>Company and Group</u>	
	<u>13 October</u>	<u>30 June</u>
	<u>1990</u>	<u>1990</u>
	<u>£000</u>	<u>£000</u>
'A' convertible unsecured loan stock 1997	120,839	120,839
'B' convertible unsecured loan stock 1997	4,861	4,861
Unsecured loan stock 1992/1995	500	500
	<u>126,200</u>	<u>126,200</u>
	<u>=====</u>	<u>=====</u>

Under the terms of the Trust Deed made between the company and the Law Debenture Corporation plc, the trustee, the following provisions apply-

a) 'A'/'B' convertible unsecured loan stock 1997

Interest-

No interest shall accrue or be payable on the convertible stock.

Conversion rights-

Individual stock holders have the right to convert the whole, but not part, of their holding of convertible stock into fully paid ordinary share capital at the rate of £1 nominal of 'A'/'B' ordinary share capital for every £10 nominal of 'A'/'B' convertible stock held respectively. Full conversion of all 'A' and 'B' convertible stock would result in the issuance of 12,570,000 ordinary shares.

The right became exercisable on 1 January 1987.

Further stock-

The company shall from time to time be entitled to create and issue additional stock which is in all respects identical to, and forms one series with, the convertible stock. Any such additional stock issued to the holder of any 'A' convertible stock (or the associate of such holder) shall automatically be designated 'A' convertible stock and any such other stock shall automatically be designated 'B' convertible stock.

All convertible stock not previously converted or redeemed will be redeemed at par on 31 March 1997.

16. CREDITORS- AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (Continued):

Voting rights-

Prior to conversion, in general meetings of the company every stock holder shall have one vote for every £20 in nominal amount of convertible stock held by him save that on resolutions relating to the appointment of 'B' directors (directors representing the 'B' share and convertible stock holders), holders of 'B' convertible stock shall have one vote for every £10 in nominal amount of 'B' convertible stock held.

Transfer-

The convertible stock is transferable in integral multiples of £1.

Subordination-

In the event of liquidation, the claims of holders of convertible stock will rank behind the claims of all other creditors of the company, including holders of the unsecured loan stock 1992/1995.

b) Unsecured loan stock 1992/1995

Interest-

Interest has been accruing from 1 July 1986.

Interest is payable half yearly in arrears. The rate of interest is equivalent to the London Inter-Bank Offered Rate for the relevant half year.

Voting rights-

The unsecured loan stock holders have no right to vote in general meetings of the company except in respect of matters that relate to the stock.

Redemption-

At any time after 31 March 1992 the loan stock may be redeemed in whole or in part at par with accrued interest at the company's option on three months written notice.

All loan stock not previously redeemed by the company shall be repaid on 31 March 1995, at par, together with accrued interest.

Transfer-

The loan stock is freely transferable in integral multiples of £1.

Subordination-

The unsecured loan stock ranks in priority to the convertible stock, but the loan stock holders' rights are subordinated to the claims of all other creditors of the company.

NOTES TO ACCOUNTS (Continued)

17. CALLED-UP SHARE CAPITAL:

	<u>13 October</u> <u>1990</u> <u>£000</u>	<u>30 June</u> <u>1990</u> <u>£000</u>
Authorised-		
25,000,000 ordinary shares of £1 each	25,000 =====	25,000 =====
Allotted, called-up and fully-paid-		
'A' ordinary - 734,532 shares of £1 each	735	735
'B' ordinary - 72,468 shares of £1 each	72	72
	----- 807 =====	----- 807 =====

18. RESERVES:

	<u>Group</u>		<u>Company</u>	
	<u>Share premium</u> <u>account</u> <u>£000</u>	<u>Profit and</u> <u>loss account</u> <u>£000</u>	<u>Share premium</u> <u>account</u> <u>£000</u>	<u>Profit and</u> <u>loss account</u> <u>£000</u>
Beginning of period	882	(342,225)	882	(267,472)
Profit for the period	-	45,089	-	17,251
Translation gain	-	181	-	181
End of period	----- 882 =====	----- (296,955) =====	----- 882 =====	----- (250,040) =====

No provision has been recorded against the cost of investments in subsidiary undertakings or against the intercompany amounts due from them in the company's balance sheet as at 13 October 1990, because the directors considered that all material subsidiary undertakings would become profitable in the foreseeable future. Following the combination with BSB and the subsequent decision to sell the majority of the group's satellite television receiving equipment rental and hire-purchase customer database, and related assets, to Granada UK Rental and Retail Limited, a significant write-down of the investment in and loans due from Sky Subscribers Services Limited and TAS will be recorded in the period commencing 14 October 1990, as detailed in Note 1.

# NOTES TO ACCOUNTS (Continued)

## 19. GUARANTEES AND OTHER FINANCIAL COMMITMENTS:

### Future expenditure—

	<u>Group</u>		<u>Company</u>	
	<u>13 October</u>	<u>30 June</u>	<u>13 October</u>	<u>30 June</u>
	<u>1990</u>	<u>1990</u>	<u>1990</u>	<u>1990</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Contracted for but not provided for in the accounts				
- television				
programme rights	200,000	155,811	200,000	155,811
- capital expenditure	7,693	31,996	5,411	29,846
	<u>207,693</u>	<u>187,807</u>	<u>205,411</u>	<u>185,657</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

<u>Group and Company</u>	
<u>13 October</u>	<u>30 June</u>
<u>1990</u>	<u>1990</u>
<u>£000</u>	<u>£000</u>

### Authorised but not contracted for

- television programme rights	14,000	25,081
- capital expenditure	-	68,890
	<u>=====</u>	<u>=====</u>

Included in television programme right commitments which have been contracted for but not provided for in the accounts, is £85 million (30 June 1990 - £54 million), representing the minimum amounts payable to various third party producers in respect of currently unavailable movies which are subject to price escalation clauses in periods up to 1995. The price escalation in respect of these movies is estimated to give rise to an additional commitment of up to £3 million (30 June 1990 - £2 million). The extent of the escalation, and hence of the commitments, is dependent upon the number of subscribers to the channel. Further escalations may become payable if certain movies provided exceed an audience threshold in theatrical release.

Certain contracts may be extended at the producer's option depending on subscriber levels to the movie channel.

Under the contracts governing the acquisition of television programme rights from third party producers, all of the group's minimum obligations to major third party producers were subject to joint and several guarantees by the ultimate holding company and certain other fellow subsidiary undertakings at 13 October 1990.

In addition to the capital expenditure commitments reflected above, News International plc, on behalf of the company, entered into a contract to acquire satellite systems from an independent third party at a total cost of approximately £27 million (30 June 1990 - £89 million).

# NOTES TO ACCOUNTS (Continued)

## 19. GUARANTEES AND OTHER FINANCIAL COMMITMENTS (Continued):

### Contingent liabilities-

In March 1991, Sky Subscribers Services Limited, a subsidiary undertaking, filed a claim of approximately £1.8 million plus damages for breaches and/or repudiation of contract against one of its installer companies, Sky Installations Limited. Sky Installations Limited subsequently filed a counterclaim in these proceedings exceeding £18 million in respect of interest, breach of contract. The directors consider this counterclaim is unlikely to give rise to any significant future liabilities.

Ferguson have issued High Court proceedings against the company in respect of the cancellation of an order for the manufacture of 200,000 integrated receiver decoder units. The order was cancelled before any delivery was made due to Ferguson's failure to perform and their inability to deliver the order on time. The value of the claim has not been specified by Ferguson but on the basis of the information presently available the directors do not expect that a significant future liability will arise as a result of this claim.

### Lease commitments-

The group leases certain land and buildings on short and long term leases. The rents payable under these leases are subject to renegotiation at various intervals specified in the leases.

The minimum annual rentals under these leases are as follows-

	<u>Group</u>		<u>Company</u>	
	<u>Property</u>	<u>Plant and</u>	<u>Property</u>	<u>Plant and</u>
	<u>£000</u>	<u>machinery</u>	<u>£000</u>	<u>machinery</u>
		<u>£000</u>		<u>£000</u>
13 October 1990-				
Operating leases which				
expire				
- within 1 year	62	300	62	-
- within 2-5 years	-	659	-	109
- after 5 years	1,532	-	1,095	-
	<u>1,594</u>	<u>959</u>	<u>1,157</u>	<u>109</u>
	=====	=====	=====	=====
30 June 1990-				
Operating leases which				
expire				
- within 1 year	-	33	-	33
- within 2-5 years	-	76	-	76
- after 5 years	1,184	-	1,095	-
	<u>1,184</u>	<u>109</u>	<u>1,095</u>	<u>109</u>
	=====	=====	=====	=====

In addition to the minimum annual rentals set out above, £394,000 is payable annually in respect of properties owned or leased by News International plc and charged to the group.

NOTES TO ACCOUNTS (Continued)

20. ULTIMATE HOLDING COMPANY:

At 13 October 1990 the company was a subsidiary undertaking of News International plc, a company registered in England, which owned all the 'A' ordinary shares and 'A' convertible unsecured loan stock 1997 of the company. News International plc was entitled to 95.55% of the votes in a general meeting and would be entitled, following full conversion of the loan stock, to 95.82% of such votes.

The ultimate parent company was The News Corporation Limited, a company incorporated in South Australia.

On 3 November 1990, the interests of News International plc in the share capital and loan stock of the company were acquired by British Satellite Broadcasting Limited, subsequently renamed British Sky Broadcasting Limited on 19 December 1990.

The largest group in which the results of Sky Television PLC and subsidiary undertakings were consolidated at 13 October 1990 was that headed by The News Corporation Limited. The smallest group in which they were consolidated was that headed by News International plc.

21. FINANCING ARRANGEMENTS:

Following the acquisition of the company by BSB, the combined group ("the BSB group") continues to establish its business of satellite television broadcasting direct to homes in the UK, which has no precedent in the UK.

The BSB group's current business plan indicates that the BSB group should achieve net operating cash inflows and net operating profits from some point during 1992 and, at present, the BSB group is operating in line with this business plan. The plan envisages further cash outflows from 1 June 1991 up to this point of less than £200 million. After the breakeven point has been achieved, the business plan indicates that the BSB group will be profitable and generate cash in the future.

BSB has recently entered into an agreement, dated 11 May 1991, with its principal shareholders, BSB Holdings Limited and News International plc, for the provision of up to £200 million of shareholder financing in the form of a series of rights issues. The initial offer of £50 million and a second offer of £25 million were made on 31 May 1991, the BSB Holdings Limited 50% share being underwritten by Chargeurs, Pearson plc and Granada Group PLC, in the ratio 37.5 : 37.5 : 25. News International plc, Chargeurs, Pearson plc and Granada Group PLC are committed to subscribe to the next £25 million of rights issues in the same ratio.



NOTES TO ACCOUNTS (Continued)

21. FINANCING ARRANGEMENTS (Continued):

Rights offers totalling a further £100 million are to be made and both News International plc and the three principal shareholders of BSB Holdings Limited have stated that it is their intention to take up these rights.

In the event that funding over and above £200 million is required, BSkyB would seek to obtain an alternative source of non-equity financing. If it is unable to do so, the Shareholders' Agreement provides for additional rights offers to be made to the shareholders.

The group's balance sheet at 13 October 1990 shows net current liabilities of £338,207,000 and an accumulated deficit of £296,955,000. The accounts have been prepared assuming that the group will continue as a going concern, based on the stated intentions of News International plc and the principal shareholders of BSB Holdings Limited.