

BSKYB HISTORY LIMITED

Annual report and financial statements
For the year ended 30 June 2014

Registered number: 03071747

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COMPANIES HOUSE

Directors and Officers

For the year ended 30 June 2014

Directors

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

C J Taylor

C R Jones

Secretary

C J Taylor

Registered office

Grant Way

Isleworth

Middlesex

TW7 5QD

Auditor

Deloitte LLP

Chartered Accountants

London

United Kingdom

Strategic and Directors' Report

Strategic Report

The Directors present their Strategic and Directors Report on the affairs of the Company, together with the financial statements and Auditor's Report for the year ended 30 June 2014.

The purpose of the Strategic Report is to inform members of the Company and help them assess how the directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the Company).

Business review and principal activities

The Company is a wholly-owned subsidiary of Sky Ventures Limited (the immediate parent company). The ultimate parent company is British Sky Broadcasting Group Plc ("BSkyB") and operates together with BSkyB's other subsidiaries, as a part of the Group ("the Group"). The Company is a holding company with no external suppliers and therefore does not have a supplier payment policy.

The Company's principal activity is to act as a holding company for a 50% interest in AETN UK, an unlimited company whose principal activity is the broadcasting of The History Channel, including the multiplex version to multi-channel subscribers in the UK and other European territories. It also distributes other channels known as The Biography Channel, Crime and Investigation Channel and the Military History Channel. For the foreseeable future, the Company will continue to hold the investment in AETN UK.

The audited accounts for the year ended 30 June 2014 are set out on pages 7 to 16. The profit for the year was £nil (2013: £500,000). The Balance Sheet shows that the Company's total shareholder's equity position at the end of the year was £5,950,000 (2013: £5,950,000). During the year the Company received dividends totalling £nil from AETN UK (2013: £500,000).

Key performance indicators (KPIs)

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

Principal risks and uncertainties

The Company's activities expose it to financial risks, namely credit risk, and liquidity risk. The Company is also exposed to risk through the performance of its investments.

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

Credit risk

The balance sheet of the Company includes intercompany balances. The company is therefore exposed to credit risk on these balances. The intercompany balances of the Company are detailed in note 6.

Liquidity risk

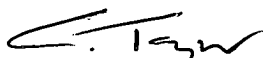
The Company relies on the Group Treasury function to manage its liquidity and ensure that sufficient funds are available for ongoing operations and future developments. The Group currently has access to an undrawn £743 million revolving credit facility which is due to expire on 31 October 2018. The Company benefits from this liquidity through intra-group facilities and loans.

Strategic and Directors' Report (continued)

Investment performance risk

The principal risk facing the Company relates to the recoverability of the Company's investment in subsidiaries. Recovery of these assets is dependent upon the generation of sufficient profits to pay dividends or from the proceeds of sale of such investments, in the event of their disposal. The Company reviews the carrying amount of its investments at balance sheet date to determine whether there is any indication of impairment.

By Order of the Board,



C J Taylor
Company Secretary

Grant Way
Isleworth
Middlesex
TW7 5QD

14 November 2014

Strategic and Directors' Report (continued)

Directors' Report

The Directors who served during the year are shown on page 1. No Dividend was proposed for the year ended 30 June 2014.

The Company has chosen, in accordance with section 414C(11) of Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic Report which otherwise would be required to be disclosed in the Director's report.

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 Strategic 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 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.

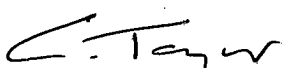
Auditor

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

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

Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them will be proposed at the forthcoming BSKyB Annual General Meeting.

By Order of the Board,



C J Taylor
Company Secretary

Grant Way
Isleworth
Middlesex
TW7 5QD

14 November 2014

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 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.

Auditor's report

Independent Auditor's Report to the Members of BSKyB History Limited:

We have audited the financial statements of BSKyB History Limited for the year ended 30 June 2014 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, and the related notes 1 to 11. The financial reporting 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 Auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 30 June 2014 and of its result 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 the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

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


Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



William Touche (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

14 November 2014

Statement of Comprehensive Income

For the year ended 30 June 2014

	Notes	2014 £'000	2013 £'000
Investment income	2	-	500
Profit before tax	3	-	500
Tax	4	-	-
Profit for the year attributable to equity shareholders		-	500

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

For the years ended 30 June 2014 and 30 June 2013 the Company did not have any items of other comprehensive income.

All results relate to continuing operations.

Balance Sheet

As at 30 June 2014

	Notes	2014 £'000	2013 £'000
Non-current assets			
Investment in joint venture	5	50	50
Current assets			
Trade and other receivables	6	5,900	5,900
Total assets		5,950	5,950
Share capital	9	-	-
Reserves		5,950	5,950
Total equity attributable to equity shareholder		5,950	5,950
Total liabilities and shareholders' equity		5,950	5,950

The accompanying notes are an integral part of this Balance Sheet.

As at 30 June 2014 and 30 June 2013, the Company did not have any cash or cash equivalents. Accordingly, no cash flow statement or reconciliation of operating profit to cash flows from operating activities has been prepared.

The financial statements of BSKYB History Limited, registered number 03071747, were approved by the Board of Directors on 14 November 2014 and were signed on its behalf by:



C R Jones
Director

14 November 2014

Statement of Changes in Equity

For the year ended 30 June 2014

	Share capital £'000	Retained earnings £'000	Total shareholder's equity £'000
At 1 July 2012	-	5,450	5,450
Profit for the year	-	500	500
At 30 June 2013	-	5,950	5,950
Profit for the year	-	-	-
At 30 June 2014	-	5,950	5,950

Notes to the financial statements

1. Accounting policies

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

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and the Companies Act 2006. In addition, the Company also complied with IFRS as issued by the International Accounting Standards Board ("IASB").

b) Basis of preparation

The financial statements have been prepared on a going concern basis (as set out in the Directors' Report) and on a historical cost basis, except for the remeasurement to fair value of certain financial assets and liabilities as described in the accounting policies below. The Company has adopted the new accounting pronouncements which became effective this year, none of which had any significant impact on the Company's results or financial position. This includes the adoption of IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", IFRS 12, "Disclosure of Interests in Other Entities", amendments to IAS 28, "Investments in Associates and Joint Ventures" and IFRS 13, "Fair Value Measurement" where adoption on 1st July 2013 is considered to be early adoption for the purposes of complying with IFRS as endorsed by the European Union.

The Company maintains a 52 or 53 week fiscal year ending on the Sunday nearest to 30 June in each year. In fiscal year 2014, this date was 29 June 2014, this being a 52 week year (fiscal year 2013: 30 June 2013, 52 week year). For convenience purposes, the Company continues to date its financial statements as at 30 June. The Company has classified assets and liabilities as current when they are expected to be realised in, or intended for sale or consumption in, the normal operating cycle of the Company.

c) Investments in joint venture

Investments are stated at cost, less any provision for impairment in value.

d) 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, where no stated interest rate is applicable, are measured at the original invoice amount, if the effect of discounting is immaterial. Where discounting is material, trade and other receivables are measured at amortised cost using the effective interest method. 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 Statement of Comprehensive Income.

Notes to the financial statements

1. Accounting policies (continued)

e) 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 deferred tax (see accounting policy f) and financial assets (see accounting policy d) to determine whether there is any indication that any of those assets have suffered an impairment loss.

An impairment is recognised in the Statement of Comprehensive Income whenever the carrying amount of an asset or its cash generating unit 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. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to those units, and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

An impairment loss for an individual asset¹ or cash generating unit 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.

f) Tax, including deferred tax

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 profits. 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 substantively 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 Statement of Comprehensive Income, 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 tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Notes to the financial statements

1. Accounting policies (continued)

g) Critical accounting policies and the use of judgement

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.

The Company's key critical accounting policies are the recoverability of receivables and carrying value of investments.

i. Receivables

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

ii. Investments

The Company reviews the carrying amounts of its investment to determine whether there is any indication that the investment has suffered an impairment loss.

h) 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 2014 or later periods. These new pronouncements are listed below:

- Amendments to IAS 36 "Impairment of Assets" (effective 1 January 2014)
- Amendments to IAS 32 "Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities" (effective 1 January 2014)
- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting" (effective 1 January 2014)
- Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations" (effective 1 January 2016)*
- Annual Improvements 2010-2012 cycle (effective 1 July 2014)*

*not yet endorsed for use in the EU

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

Notes to the financial statements

2. Investment income

	2014 £'000	2013 £'000
Distribution from joint venture	-	500

Dividends totalling £nil were received in the year from AETN UK (2013: £500,000).

3. Profit before tax

Audit fees

Amounts paid to the auditor for audit services of £6,250 (2013: £6,250) were borne by another Group subsidiary in 2014 and 2013. No amounts for other services have been paid to the auditor on behalf of the Company.

Employee benefits and key management compensation

There were no staff costs during the year as the Company had no employees (2013: nil). Services are provided by employees of other companies within the Group with no charge being made for their services (2013: £nil). The Directors did not receive any remuneration during the year in respect of their services to the Company (2013: £nil).

4. Tax

a) Tax recognised in the statement of comprehensive income

The tax charge for the year is £nil (2013: £nil).

b) Reconciliation of total tax charge

The tax expense for the year is equal to (2013: lower than) the expense that would have been charged using the standard rate of corporation tax in the UK (22.5%) applied to profit before tax. The applicable or substantively enacted effective rate of UK corporation tax for the year was 22.5% (2013: 23.75%). The differences are explained below:

	2014 £'000	2013 £'000
Profit before tax	-	500
Profit before tax multiplied by the blended rate of corporation tax in the UK of 22.5% (2013: 23.75%)	-	119
Effects of:		
Non-taxable dividends received	-	(119)
Tax	-	-

All tax relates to UK corporation tax and is settled by British Sky Broadcasting Limited on the Company's behalf.

Notes to the financial statements

5. Investment in joint venture

	2014 £'000	2013 £'000
Cost and net book value		
Beginning and end of year	50	50

At 30 June 2014 the Company held 50% (2013: 50%) of the issued ordinary share capital of AETN UK, an unlimited company incorporated in Great Britain and registered in England and Wales whose principal activity is the broadcasting of The History Channel, including the multiplex version to multi-channel subscribers in the UK and other European territories. The Company accounts for the 50% holding in AETN UK as an investment in joint venture. The investment is held at cost and reviewed for impairment at each balance sheet date.

6. Trade and other receivables

	2014 £'000	2013 £'000
Amounts receivable from immediate parent company	5,900	5,900

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

The amounts receivable from the immediate parent have been assessed to be fully recoverable and as such no other allowances have been recorded.

Amounts due from the immediate parent company totalling £5,900,000 (2013: £5,900,000) are non-interest bearing and are repayable on demand.

7. Financial instruments

The Company's financial instruments comprise trade receivables and trade payables

The accounting classification of each class of the Company's financial assets and financial liabilities is as follows:

	Loans and receivables £'000	Other liabilities £'000	Total carrying value £'000	Total fair values £'000
At 30 June 2014				
Trade and other receivables	5,900	-	5,900	5,900
At 30 June 2013				
Trade and other receivables	5,900	-	5,900	5,900

The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments

Notes to the financial statements

8. Financial risk management objectives and policies

The Group's Treasury function is responsible for raising finance for the Company's operations, together with associated liquidity management and management of foreign exchange, interest rate and credit risks. Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by both the Audit Committee and the Board, which receive regular updates of Treasury activity. Derivative instruments are transacted for risk management purposes only. It is the Group's policy that all hedging is to cover known risks and no speculative trading is undertaken. Regular and frequent reporting to management is required for all transactions and exposures, and the internal control environment is subject to periodic review by the Group's internal audit team.

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.

Credit risk

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

9. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
2 (2013: 2) ordinary shares of £1 each	2	2

The Company has one class of ordinary shares which carry equal voting rights and no contractual right to receive payment.

10. Transactions with related parties

a) Major shareholders of BskyB Group plc

The Company conducts business transactions with companies that are part of the Twenty-First Century Fox, Inc. group a major shareholder of BskyB, the ultimate parent undertaking of the Company.

b) Key management

The Company has a related party relationship with the Directors of the Company as key management. At 30 June 2014, there were two (2013: two) key managers, both of whom were Directors of the Company. No transactions were performed with the Directors of the Company during the year, see note 3.

c) Transactions with parent company

For details of amounts owed by and amounts payable to the parent company, see note 6. Movement in trade and other receivables for the year is £nil.

d) Transactions with joint ventures

The Company holds 50% of the issued share capital of AETN UK. For details of amounts owed to and by the parent undertaking, see note 6. Investment income of £nil (2013: £500,000) was received from AETN UK during the year. There are no outstanding balances with this entity at year end.

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.

Under this policy, British Sky Broadcasting Limited received income of £nil (2013: £500,000) on behalf of the Company, during the year. This amount appears as an intercompany receivable owed to the Company. Please refer to note 6 for details of intercompany receivables.

Notes to the financial statements

11. Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of Sky Ventures Limited, a Company incorporated in Great Britain and registered in England and Wales. The Company is ultimately controlled by British Sky Broadcasting Group plc ("BSkyB"). The only group in which the results of the Company are consolidated is that headed by BSkyB.

The consolidated financial statements 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.