

CYMRU INTERNATIONAL LIMITED

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

Registered number: 05536376

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COMPANIES HOUSE

Directors and Officers

For the year ended 30 June 2014

Directors

Cymru International 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 Parthenon Entertainment Limited. The Company is ultimately controlled by British Sky Broadcasting Group Plc ("BSkyB") and operates together with British Sky Broadcasting Limited ("BSkyB Ltd") and other companies as a part of the British Sky Broadcasting Group Plc ("the Group").

The principal activity of the Company continued to be that of the marketing and distribution of television programmes.

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 accounts for the year ended 30 June 2014 are set out on pages 7 to 12. The Directors consider turnover and operating profit to be key performance indicators of the Company. Turnover for the year-ended 30 June 2014 was £84,642 (2013: 133,914) and the operating profit was £10,956 (2013: 31,945).

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 Directors do not believe the Company is exposed to significant cash flow risk, price risk, interest rate risk or foreign exchange.

Financial risk management objectives and policies

The use of financial derivatives is governed by the Group's treasury policy approved by the Board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

Credit risk

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Strategic and Directors' Report (continued)

Liquidity risk

The Company relies on the Group Treasury function to manage its liquidity and ensure that sufficient funds are available for on-going 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.

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. The Directors do not recommend a dividend for the year ended 30 June 2014 (2013: £nil).

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.

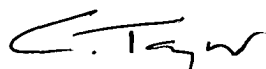
Auditor

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.

Nunn-Hayward LLP resigned as auditor during the year ended 30 June 2014 and Deloitte LLP were appointed as auditor. Deloitte LLP have expressed their willingness to continue as auditor and a resolution to reappoint them will be proposed at the forthcoming 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

Independent Auditor's report to the members of Cymru International Limited

We have audited the financial statements of Cymru International Limited for the year ended 30 June 2014 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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 on 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 profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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

Profit and Loss Account

For the year ended 30 June 2014

	Notes	2014 £	2013 £
Turnover	2	84,642	133,914
Operating expense	3	(73,686)	(104,448)
Other operating income		-	2,479
Operating profit and profit on ordinary activities before taxation	5	10,956	31,945
Tax	6	(6,509)	6,509
Profit for the year		4,447	38,454

The accompanying notes are an integral part of this Profit and Loss Account.

For the years ended 30 June 2014 and 30 June 2013, there are no recognised gains or losses other than those shown above. Accordingly, no Statement of total Recognised Gains and Losses is presented.

All results relate to continuing operations.

Balance Sheet

As at 30 June 2014

	Notes	2014 £	2013 £
Current assets			
Debtors: amounts due within one year	7	343,237	368,720
Total assets		343,237	368,720
Current liabilities			
Creditors: amounts falling due within one year	8	(72,692)	(102,622)
Total assets less current liabilities		270,545	266,098
Net Assets		270,545	266,098
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	270,543	266,096
Total shareholders' funds	11	270,545	266,098

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

The financial statements of Cymru International Limited, registered number 05536376 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

Notes to the financial statements

1. Accounting policies

Cymru International Limited (the "Company") is a limited liability Company incorporated in the United Kingdom, and registered in England and Wales.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

The accounts are prepared on the going concern basis as described in the Directors' report on page 4.

Cash flow statement

The Company has taken advantage of the exemption from the requirements of FRS 1 (Revised) to present a cash flow statement on the grounds that the Company is a wholly-owned subsidiary and is included in the publicly available consolidated accounts of BSKyB.

Revenue recognition

Revenue represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue from the distribution of programmes is recognised when a contract has been executed by both the Company and licensee and the relevant programmes have met all the necessary technical requirements. Distribution revenue from programmes or formats distributed by third parties and other ancillary revenues are recognised once the Company has been notified of the sums due to it. Non-refundable advance payments received from third parties are recognised as revenue on execution of a contract. Any fees received in advance, which do not meet all the above criteria, are included in deferred income until the above criteria are met.

Deferred tax

UK corporation tax is provided at current amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which carried forward tax losses can be offset and from which the future reversal of underlying timing differences can be deduced.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the financial statements

2. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the Company, being the marketing and distribution of television programmes.

In the period to 30 June 2014 92% (2013: 93%) of the Company's turnover was to markets outside the United Kingdom.

3. Operating expense

	2014	2013
	£	£
Programme costs	57,249	66,619
Administration costs	16,437	30,237
Marketing costs	-	7,592
	73,686	104,448

4. Employees

There were no staff costs for the year ended 30 June 2014 nor for the year ended 30 June 2013.

5. Operating profit and profit on ordinary activities before taxation

Profit on ordinary activities before tax is stated after (charging) crediting:	2014	2013
	£	£
Foreign exchange differences	(1,298)	2,525

Audit fees

Amounts paid to the auditor for the audit of the Company's annual accounts of £10,000 (2013: £12,000) were borne by another Group subsidiary in 2014 and 2013. No amounts for other services have been paid to the auditor.

Directors' remuneration

Directors' remuneration for the year were £nil (2013: nil).

6. Tax

a) Analysis of tax charge (credit)

The tax charge (credit) on the profit on ordinary activities for the year was as follows:

	2014	2013
	£	£
Current tax expense		
UK corporation tax	-	-
Deferred tax	6,509	(6,509)
Tax charge (credit) on profit on ordinary activities	6,509	(6,509)

UK corporation tax has been charged at 22.5% (2013 - 23.75%).

Notes to the financial statements

6. Tax (continued)

a) Analysis of tax charge (credit) continued

Factors affecting the tax charge

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	10,956	31,945
Profit before tax multiplied by blended rate of corporation tax in the UK of 22.5% (2013: 23.75%)	2,465	7,347
Effects of:		
Expenses not deductible for tax purposes	273	6,679
Group relief	(3,729)	(10,947)
Double tax relief	(1,213)	(3,079)
Overseas tax suffered	2,204	-
Current tax charge	-	-

7. Debtors: amounts falling due within one year

	2014	2013
	£	£
Trade debtors	20,547	18,773
Amounts owed by other Group companies ^(a)	318,515	300,915
Other debtors	-	9,793
Deferred tax asset	-	6,509
Prepayments and accrued income	4,175	32,730
	343,237	368,720

a) Amounts owed by other Group companies

There are amounts receivable from other Group companies totalling £318,515 (2013: £300,915); these balances are non-interest bearing and repayable on demand.

8. Creditors: amounts falling due within one year

	2014	2013
	£	£
VAT	234	1,920
Accruals and deferred income	72,458	100,702
	72,692	102,622

Notes to the financial statements

9. Share capital

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

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

10. Profit and loss account

	Profit and loss account
	£
At 1 July 2013	266,096
Profit for the year	4,447
At 30 June 2014	270,543

11. Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
Profit for the financial year	4,447	38,454
Net increase to shareholders' funds	4,447	38,454
Opening shareholders' funds	266,098	227,644
Closing shareholders' funds	270,545	266,098

12. Related party disclosures

The Company has taken advantage of the exemption in FRS 8 paragraph 30 from the requirement to disclose transactions with Group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company BSKyB.

13. Ultimate controlling party

The Company is a wholly-owned subsidiary undertaking of Parthenon Entertainment Limited. The Company is ultimately owned by BSKyB, a Company incorporated in the United Kingdom and registered in England and Wales. 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.