

# **Freesat (UK) Limited**

## **Directors' report and financial statements**

**Registered number 6250097**

**Year ended 31 March 2015**



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## Strategic report

### Principal activity

The principal activity of the Company during the year was to provide a universally available free to air satellite platform in the UK.

### Business review

#### Summary

The company, Freesat, is a joint venture between the UK's leading broadcasters ITV and the BBC, offering over 200 subscription free satellite channels to over 1.9 million homes in the UK; including On Demand and connected services ranging from BBC iPlayer to YouTube.

Freesat aims to provide UK homes with access to the best of Free To Air (FTA) content through its next generation connected TV service, Freetime, which has features such as the Backwards EPG and the editorially curated recommendation service, Showcase.

Freetime is available within smart TVs and set top boxes and more recently, its features are accessible through the Freetime Mobile companion app to help UK FTA viewers quickly find even more great things to watch.

#### 2014/15 Milestones

The Company's focus for the past year has been to develop the Freetime brand, product and features available, to enhance the Freesat offering and raise its appeal amongst the FTA UK audience.

Significantly, Freetime was made available in all new Panasonic VIERA smart TVs for the first time this year. The Panasonic agreement created the first FTA connected TV service allowing viewers to enjoy the great benefits of Freesat's Freetime service whether they take their TV channels by aerial (Freeview) or satellite (Freesat).

Within retail, Freesat had an exceptional year with set top box sales exceeding the market and growing year on year. This was driven by Freetime set top box sales, which now account for over 50% (2014: 41%) of all Freesat set top box sales, underlining its appeal to customers.

The reach of the Freetime mobile app continued to grow, it achieved in excess of 500,000 downloads, galvanised by the launch of the Android and Kindle versions in the summer of 2014.

Platform improvements continued during the year with new features making FTA TV content more accessible and convenient for viewers. Showcase 2.0 was rolled out across all Freetime devices and Mobile Apps in September 2014. This update increased engagement with the service, which continues to drive viewers to the best of linear TV. The Remote Record Button launched in January 2015 and provides customers with the ability to record their favourite shows through social media promotions on Twitter and email recommendations from Freesat's Your TV Week.

Freesat's portfolio of channels and services totals over 200 and offers a varied choice of news and entertainment, including 11 free HD channels.

Additional channels and services that have joined Freesat include the launch of new services on Freetime such as Curzon Cinema and Hopster; plus new linear TV channels such as ITVBe, ITVBe +1, 5\* +1, True Drama, Pick +1 and Tiny Pop +1.

Since the Company's launch, manufacturing partners have sold over 4.0 million receivers, which means that Freesat is now watched in over 1.9 million homes.

Freesat has the highest level of customer satisfaction in the market, as this continues to track above 85% and over eight out of ten Freesat viewers have recommended the service to others.

The results of the Company show a pre-tax loss of £5.2 million (2014: £8.2 million) based on turnover of £7.5 million (2014: £7.1 million).

### Principal risks and uncertainties

The major risks for the Company in the short to medium term are:

- 1) Competition: the Company operates in a highly competitive environment with rivals that have significantly larger budgets. Despite this, Freesat is committed to grow the number of homes by using innovative and targeted marketing to promote the features and benefits of Freetime to UK consumers.

- 2) Reliance on one key revenue stream: any shift in market conditions or the economic climate could have a significant impact (positive or negative) to the Company's revenue potential. The management team are aware of this risk and considering ways to diversify and reduce the exposure.
- 3) Change in regulation: Freesat operates within a regulated environment and could be adversely impacted by any change in rules enacted by OfCom. The Company continually monitors wider regulatory issues within the industry to assess the likely impact to the business.

#### Future outlook

The outlook for the business in the forthcoming year is positive and Freesat's continuing growth demonstrates the strong appeal of premium TV on a subscription-free basis.

Freesat's offering is an attractive option for those who are switching away from expensive pay TV packages. Freesat occupies a unique place in the market for those that want great, free satellite television delivered through innovative, simple equipment. Sales continue to grow, attracting new customers to satellite TV, as well as those seeking to make use of their existing satellite dish.

Going forward, Freesat will continue to evolve its proposition by delivering new products, new features, new channels, new content (including Pay As You Go Video On Demand) and new services, as well as maturing its direct relationships with customers in order to meet the ever-changing needs of viewers.

By order of the Board



**P Badala**  
Secretary

23-24 Newman Street  
London  
W1T 1PJ

17th June 2015

## Directors' report

The directors present their directors' report and audited financial statements for the year ended 31 March 2015.

### Proposed dividend

The directors do not recommend the payment of a dividend (2014: *£nil*).

### Policy and practice on payment of creditors

It is the policy of the Company to pay creditors within 30 days of the invoice date. At the year end, there were 7 days (2014: 16 days) purchases in trade creditors.

### Directors

The directors who held office during the year and to the date of this report were as follows:

BS Samra  
R Hoyle  
K Wen (resigned 22<sup>nd</sup> April 2015)  
M Brooke  
C Swords (appointed 22<sup>nd</sup> April 2015)

### Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the financial year.

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

  
**P Badala**  
Secretary

23-24 Newman Street  
London  
W1T 1PJ

16th June 2015

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## Independent auditor's report to the members of Freesat (UK) Limited

We have audited the financial statements of Freesat (UK) Limited for the year ended 31 March 2015 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors

As explained more fully in the Directors' Responsibilities Statement as set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

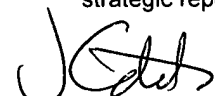
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.



John Edwards, (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL  
United Kingdom

26 August 2015

**Profit and Loss Account**  
*for the year ended 31 March 2015*

		2015	2014
	<u>Note</u>	<u>£000</u>	<u>£000</u>
Turnover	1,2	7,561	7,124
Cost of sales		(4,101)	(5,541)
<b>Gross profit</b>		<b>3,460</b>	<b>1,583</b>
Administrative expenses		(7,937)	(9,088)
<b>Operating loss</b>	<b>3</b>	<b>(4,477)</b>	<b>(7,505)</b>
Interest receivable	6	8	8
Interest payable	7	(738)	(663)
<b>Loss on ordinary activities before taxation</b>	<b>3</b>	<b>(5,207)</b>	<b>(8,160)</b>
Tax credit on loss on ordinary activities	8	1,077	1,858
<b>Loss after taxation</b>	<b>13</b>	<b>(4,130)</b>	<b>(6,302)</b>

The operating loss for the year arises from the Company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been presented in the profit and loss account.

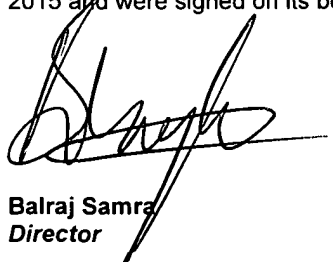


## Balance Sheet

as at 31 March 2015

	<u>Note</u>	<u>2015</u> <u>£000</u>	<u>2015</u> <u>£000</u>	<u>2014</u> <u>£000</u>	<u>2014</u> <u>£000</u>
<b>Fixed assets</b>					
Tangible assets	9		221		290
<b>Current assets</b>					
Debtors (including £185,000 (2014: £185,000) due after more than one year)	10	15,914		14,849	
Cash at bank and in hand		4,409		4,956	
		<u>20,323</u>		<u>19,805</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(63,248)</u>		<u>(58,669)</u>	
<b>Net current liabilities</b>			<u>(42,925)</u>		<u>(38,864)</u>
<b>Total assets less current liabilities</b>			<u>(42,704)</u>		<u>(38,574)</u>
<b>Net liabilities</b>			<u>(42,704)</u>		<u>(38,574)</u>
<b>Capital and reserves</b>					
Called up share capital	12		-		-
Profit and loss account	13		(42,704)		(38,574)
<b>Shareholders' deficit</b>			<u>(42,704)</u>		<u>(38,574)</u>

These financial statements were approved by the board of directors and authorised for issue on 12 June 2015 and were signed on its behalf by:

  
Balraj Samra  
Director

Notes on pages 9 to 18 form part of the financial statements

## Cash Flow Statement

*for the year ended 31 March 2015*

	<i>Note</i>	<b>2015 £000</b>	<b>2015 £000</b>	<b>2014 £000</b>	<b>2014 £000</b>
Net cash outflow from operating activities	14		(4,493)		(7,232)
Returns on investments and servicing of finance					
Interest received		8		8	
Net cash inflow from returns on investment and servicing of finance			8		8
Capital expenditure and financial investment			(62)		(115)
Net cash outflow before financing			(4,547)		(7,339)
Financing					
Shareholders' loans		4,000		7,304	
Net cash inflow from financing			4,000		7,304
Decrease in cash in the year			(547)		(35)

## Reconciliation of net cash flow to movement in net debt

*for the year ended 31 March 2015*

	<i>Note</i>	<b>2015 £000</b>	<b>2014 £000</b>
Decrease in cash in the year		(547)	(35)
Cash flow from movement in debt	15	(4,000)	(7,304)
Non cash movement in debt	15	(738)	(663)
Movement in net debt in the year		(5,285)	(8,002)
Net debt at beginning of the year		(45,307)	(37,035)
Net debt at end of the year		(50,322)	(45,037)

Notes on pages 9 to 18 form part of the financial statements

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Company has net liabilities of £42,703,961 (2014: £38,573,569) and net current liabilities of £42,925,250 (2014: £38,863,857), of which shareholders' loans represent £54,731,361 (2014: £49,993,000) (see note 11).

Notwithstanding these facts, the financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons.

The Company is dependent for its working capital on funds provided to it by BBC Free to View (Satellite) Limited and ITV Broadcasting Limited, the Company's shareholders. BBC Free to View (Satellite) Limited and ITV Broadcasting Limited have indicated to the Company that for at least 12 months from the date of approval of these financial statements, they will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any Company placing reliance on related entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the continued availability of shareholder support represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### **Fixed assets and depreciation**

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold land and buildings	-	life of lease or useful economic life of assets, if shorter
Plant and machinery	-	over 3 years
Fixtures, fittings, tools and equipment	-	over 4 years
Motor vehicles	-	over 4 years

#### **Stock**

Stocks of Freesat approved receivers are stated at the lower of cost and net realisable value. Cost includes all direct costs in bringing the stocks to their present location and condition. Net realisable value is based on estimated selling price less any further cost expected to be incurred on disposal.

#### **Leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### **Post-retirement benefits**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

## Notes (continued)

### 1 Accounting policies (continued)

#### **Taxation**

The credit for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### **Turnover**

Turnover which is stated net of value added tax, represents annual subscription fees and registration fees invoiced to broadcasters.

Annual subscription fees are paid in advance and treated as deferred income. The deferred income is recognised as revenue in the profit and loss account in equal monthly instalments over the period of the subscription contract.

#### **Cash and liquid resources**

Cash comprises cash in hand and deposits repayable on demand.

### 2 Analysis of turnover

	<b>2015</b>	<b>2014</b>
	<b><u>£000</u></b>	<b><u>£000</u></b>
<b>By activity</b>		
Electronic Program Guide fees	7,227	6,985
Registration fees	27	28
Other	307	111
	<u>7,561</u>	<u>7,124</u>
<b>By geographical market</b>		
UK	<u>7,561</u>	<u>7,124</u>

## Notes (continued)

### 3 Notes to the profit and loss account

	<b>2015</b> <b>£000</b>	2014 <b>£000</b>
<b>Loss on ordinary activities before taxation is stated after charging:</b>		
Depreciation of owned tangible fixed assets	131	104
Operating lease payments	166	166
	<u>          </u>	<u>          </u>

Auditor's remuneration:

	<b>2015</b> <b>£000</b>	2014 <b>£000</b>
Audit of these financial statements	19	23
	<u>          </u>	<u>          </u>

### 4 Remuneration of directors

No emoluments were paid to the directors during the financial year (2014: £nil).

### 5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	<b>Number of employees</b>	
	<b>Year Ended</b> <b>2014</b>	<b>Year ended</b> <b>2014</b>
Management and administration	10	11
Marketing	10	10
Technical	10	11
	<u>          </u>	<u>          </u>
	30	32
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows:

	<b>2015</b> <b>£000</b>	2014 <b>£000</b>
Wages and salaries	2,355	2,171
Social security costs	289	259
Pension costs	130	127
Other benefits	26	17
	<u>          </u>	<u>          </u>
	2,800	2,574
	<u>          </u>	<u>          </u>

## Notes (continued)

### 6 Interest receivable

	2015 <u>£000</u>	2014 <u>£000</u>
Bank interest receivable	8	8

### 7 Interest payable

	2015 <u>£000</u>	2014 <u>£000</u>
Interest payable on shareholders' loans	738	663

### 8 Taxation

#### *Analysis of credit in year*

	2015 <u>£000</u>	2014 <u>£000</u>
<i>UK corporation tax</i>		
Current tax credit on loss for year	(1,076)	(1,863)
Adjustments in respect of previous years	-	-
<b>Total current tax credit</b>	<u>(1,076)</u>	<u>(1,863)</u>
<i>Deferred tax</i>		
Origination/reversal of timing differences	(14)	(9)
Tax rate reduction	14	15
Adjustment in respect of previous years	(1)	(1)
<b>Total deferred tax</b>	<u>(1)</u>	<u>5</u>
<b>Tax credit on loss on ordinary activities</b>	<u>(1,077)</u>	<u>(1,858)</u>

## Notes (continued)

### 8 Taxation (continued)

#### Factors affecting the tax credit for the current year

The current tax credit for the year is lower (2014: lower) than the standard rate of corporation tax in the UK 21% (2014: 23%). The differences are explained below.

	2015 <u>£000</u>	2014 <u>£000</u>
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(5,207)	(8,160)
	<hr/>	<hr/>
Current tax at 21% (2014: 23%)	(1,093)	(1,877)
	<hr/>	<hr/>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3	5
Depreciation in excess of capital allowances	14	9
	<hr/>	<hr/>
<b>Total current tax credit (see above)</b>	<b>(1,076)</b>	<b>(1,863)</b>
	<hr/> <hr/>	<hr/> <hr/>

The elements of deferred taxation are as follows:

	2015 <u>£000</u>	2014 <u>£000</u>
Accelerated capital allowances	25	24
	<hr/> <hr/>	<hr/> <hr/>

A deferred tax asset of £25,000 (2014: £24,000) exists at the year end (see note 10).

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 March 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

## Notes (continued)

### 9 Tangible fixed assets

	Leasehold improvements £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Motor vehicles £000	Total £000
<b>Cost</b>					
As at 1 April 2014	296	402	28	66	792
Additions	-	61	1	-	62
Disposals	-	(2)	-	-	(2)
<b>As at 31 March 2015</b>	<b>296</b>	<b>461</b>	<b>29</b>	<b>66</b>	<b>852</b>
<b>Depreciation</b>					
As at 1 April 2014	(118)	(307)	(11)	(66)	(502)
Charge for year	(61)	(63)	(7)	-	(131)
Disposed	-	2	-	-	2
<b>As at 31 March 2015</b>	<b>(179)</b>	<b>(368)</b>	<b>(18)</b>	<b>(66)</b>	<b>(631)</b>
<b>Net book value</b>					
As at 31 March 2015	117	93	11	-	221
As at 31 March 2014	178	95	17	-	290

### 10 Debtors

	2015 £000	2014 £000
Trade debtors	2,474	2,342
Rent deposit	185	185
Amounts due from related parties	13,050	12,022
Deferred tax asset (see note 8)	25	24
Other debtors	2	28
Prepayments and accrued income	178	248
	<b>15,914</b>	<b>14,849</b>

Debtors include a rent deposit of £185,000 (2014: £185,000) due after more than one year.



## Notes (continued)

### 11 Creditors: amounts falling due within one year

	2015 <u>£000</u>	2014 <u>£000</u>
Trade creditors	132	497
Other creditors	556	392
Accruals and deferred income	7,829	7,787
Shareholders' loans (note 18)	54,731	49,993
	<u>63,248</u>	<u>58,669</u>

Trade creditors include £nil (2014: £nil) payable to related parties due within one year.

Shareholders' loans are repayable on demand, but both shareholders have indicated that they will not seek repayment for the foreseeable future and in any event for a period of no less than twelve months from the date of approval of these financial statements.

### 12 Called up share capital

	2015 <u>£</u>	2014 <u>£</u>
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

The Company has not issued any shares during the year.

### 13 Reserves

	Profit and loss Account	Profit and loss Account
	2015 <u>£000</u>	2014 <u>£000</u>
At beginning of year	(38,574)	(32,272)
Loss for year	(4,130)	(6,302)
	<u>(42,704)</u>	<u>(38,574)</u>
<b>At end of year</b>	<u>(42,704)</u>	<u>(38,574)</u>

## Notes (continued)

### 14 Reconciliation of operating profit to net cash flow from operating activities

	2015 <u>£000</u>	2014 <u>£000</u>
Operating loss	(4,477)	(7,505)
Depreciation charges	131	103
Profit on sale of fixed assets	-	-
Decrease/(increase) in debtors	13	(1,456)
(Decrease)/increase in creditors	(160)	1,625
	<u>          </u>	<u>          </u>
<b>Net cash outflow from operating activities</b>	<b>(4,493)</b>	<b>(7,233)</b>
	<u>          </u>	<u>          </u>

### 15 Reconciliation of movement in net debt

	At 1 April 2014 <u>£000</u>	Cash flow <u>£000</u>	Non-cash movements <u>£000</u>	At 31 March 2015 <u>£000</u>
Cash in hand	4,956	(547)	-	4,409
Shareholders' loans (note 18)	(49,993)	(4,000)	(738)	(54,731)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>	<b>(45,037)</b>	<b>(4,547)</b>	<b>(738)</b>	<b>(50,321)</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 16 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2015 <u>£000</u>	2014 <u>£000</u>
<b>(a) Land and buildings operating leases which expire:</b>		
Within one year	-	-
In the second to fifth years inclusive	185	185
Over five years	-	-
	<u>          </u>	<u>          </u>
	<b>185</b>	<b>185</b>
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
<b>(b) Transponder agreement which expires:</b>		
Within one year	-	-
In the second to fifth years inclusive	2,000	2,000
Over five years	-	-
	<u>          </u>	<u>          </u>
	<b>2,000</b>	<b>2,000</b>
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

## Notes (continued)

### 17 Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme which amounted to £129,663 (2014: £127,000).

As at 31 March 2015, pension contributions amounting to £16,592 (2014: £20,000) were payable by the company to the scheme and are included within other creditors.

### 18 Related party disclosures

The Company is a joint venture and is equally controlled by two shareholders, being BBC Free to View (Satellite) Limited (50%) and ITV Broadcasting Limited (50%).

The Company entered into the following related party transactions during the year.

	2015 <u>£000</u>	2014 <u>£000</u>
<b>Revenue</b>		
EPG revenue – BBC	1,608	1,608
Registration fees – BBC	8	8
EPG revenue – ITV	914	914
Registration fees – ITV	5	5
	<u>2,535</u>	<u>2,535</u>

Within administration expenses, Freesat incurred expenses that were recharged to related parties as follows:

	2015 <u>£000</u>	2014 <u>£000</u>
<b>BBC</b>	54	-
<b>ITV</b>	-	-
	<u>54</u>	<u>-</u>

The Company had the following balances with the shareholders as at 31 March 2015:

	2015 <u>£000</u>	2014 <u>£000</u>
<b>Debtors</b>		
Trade debtors – BBC	1,210	1,210
Trade debtors - ITV Broadcasting Limited	483	531
Tax recoverable - BBC group relief	5,955	5,418
Tax recoverable - BBC Worldwide group relief	1,044	1,044
Tax recoverable - ITV group relief	4,358	3,819
	<u>13,050</u>	<u>12,022</u>

## Notes *(continued)*

### 18 Related party disclosures *(continued)*

The Company had the following balances with the shareholders as at 31 March 2015:

	<b>2015</b>	2014
	<b><u>£000</u></b>	<b><u>£000</u></b>
<b>Creditors: amounts falling due within one year</b>		
Shareholders' loans - BBC Free to View (Satellite) Limited	27,612	25,240
Shareholders' loans - ITV Broadcasting Limited	27,119	24,753
	<u>54,731</u>	<u>49,993</u>