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BRITISH SKY BROADCASTING GROUP PLC

Form 6-K

July 27, 2007

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a - 16 or 15d - 16 of
the Securities Exchange Act of 1934

For the month of July 2007
27 July 2007

BRITISH SKY BROADCASTING GROUP PLC
(Name of Registrant)

Grant Way, Isleworth, Middlesex, TW7 5QD England
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports
under cover of Form 20-F or Form 40-F

Form 20-F X

Form 40-F

Indicate by check mark whether the registrant by furnishing the information
contained in this Form is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934

Yes

No X

If "Yes" is marked, indicate below the file number assigned to the registrant in
connection with Rule 12g3-2(b): Not Applicable

EXHIBIT INDEX

Exhibit

EXHIBIT NO. 1 Press release of British Sky Broadcasting Group plc

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announcing Accounting Press Release released on
27 July 2007

This report is incorporated by reference in the prospectus contained in the Registration Statements on Form F-3 (SEC File No.333-08246) and Form F-3/S-3 (SEC File No.333-106837) filed by the Registrant under the Securities Act of 1933.

Consolidated financial statements

Consolidated Income Statement for the year ended 30 June 2007

| | Notes | 2007 GBPm | 2006 GBPm |
|--|-------|--------------|--------------|
| Revenue | 1 | 4,551 | 4,148 |
| Operating expense | 2 | (3,736) | (3,271) |
| Operating profit | | 815 | 877 |
| Share of results of joint ventures and associates | 10 | 12 | 12 |
| Investment income | 3 | 46 | 52 |
| Finance costs | 3 | (149) | (143) |
| Profit before tax | | 724 | 798 |
| Taxation | 4 | (225) | (247) |
| Profit for the year | | 499 | 551 |
| Earnings per share from profit for the year (in pence) | | | |
| Basic | 5 | 28.4p | 30.2p |
| Diluted | 5 | 28.2p | 30.1p |

Consolidated Income Statement for the quarter ended 30 June 2007

| | 2007 Three months ended 30 June GBPm (unaudited) | 2006 Three months ended 30 June GBPm (unaudited) |
|---|---|--|
| Revenue | 1,175 | 1,069 |
| Operating expense | (973) | (852) |
| Operating profit | 202 | 217 |
| Share of results of joint ventures and associates | 3 | 3 |
| Investment income | 4 | 15 |
| Finance costs | (41) | (46) |
| Profit before tax | 168 | 189 |
| Taxation | (57) | (63) |
| Profit for the quarter | 111 | 126 |

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Earnings per share from profit for the
quarter (in pence)

| | | |
|---------|------|------|
| Basic | 6.4p | 7.0p |
| Diluted | 6.3p | 7.0p |

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

| | 2007 GBPm | 2006 GBPm |
|---|--------------|--------------|
| Profit for the year | 499 | 551 |
| Loss on available-for-sale investments | (151) | - |
| Net movements in hedging reserve | | |
| Cash flow hedges | 39 | (54) |
| Tax on cash flow hedges | (12) | 16 |
| | 27 | (38) |
| Net losses recognised directly in equity | (124) | (38) |
| Total recognised income and expense for the year | 375 | 513 |

Consolidated Balance Sheet as at 30 June 2007

| | Notes | 2007 GBPm | 2006 GBPm |
|--|-------|--------------|--------------|
| Non-current assets | | | |
| Goodwill | 7 | 741 | 637 |
| Intangible assets | 8 | 261 | 218 |
| Property, plant and equipment | 9 | 670 | 519 |
| Investments in joint ventures and associates | 10 | 34 | 28 |
| Available-for-sale investments | 11 | 797 | 2 |
| Deferred tax assets | 12 | 54 | 100 |
| | | 2,557 | 1,504 |
| Current assets | | | |
| Inventories | 13 | 384 | 324 |
| Trade and other receivables | 14 | 524 | 489 |
| Short-term deposits | | 15 | 647 |
| Cash and cash equivalents | | 435 | 816 |
| Derivative financial assets | | 5 | 7 |
| | | 1,363 | 2,283 |
| Total assets | | 3,920 | 3,787 |
| Current liabilities | | | |
| Borrowings | 17 | 16 | 163 |
| Trade and other payables | 15 | 1,295 | 1,247 |
| Current tax liabilities | | 144 | 82 |

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| | | | |
|--|----|-------|-------|
| Provisions | 16 | 8 | 6 |
| Derivative financial liabilities | | 36 | 49 |
| | | 1,499 | 1,547 |
| ----- | | | |
| Non-current liabilities | | | |
| Borrowings | 17 | 2,014 | 1,825 |
| Other payables | 17 | 84 | 66 |
| Provisions | 16 | 18 | 19 |
| Derivative financial liabilities | | 258 | 209 |
| | | 2,374 | 2,119 |
| ----- | | | |
| Total liabilities | | 3,873 | 3,666 |
| ----- | | | |
| Shareholders' equity | 19 | 47 | 121 |
| ----- | | | |
| Total liabilities and shareholders' equity | | 3,920 | 3,787 |
| ----- | | | |

Consolidated Cash Flow Statement for the year ended 30 June 2007

| | 2007 | 2006 |
|--|-------|-------|
| | GBPm | GBPm |
| ----- | | |
| Cash flows from operating activities | | |
| Cash generated from operations | 1,007 | 1,004 |
| Interest received | 46 | 43 |
| Taxation paid | (128) | (172) |
| Net cash from operating activities | 925 | 875 |
| ----- | | |
| Cash flows from investing activities | | |
| Dividends received from joint ventures and associates | 9 | 7 |
| Net funding to joint ventures and associates | (3) | (2) |
| Purchase of property, plant and equipment | (292) | (169) |
| Purchase of intangible assets | (64) | (43) |
| Purchase of available-for-sale investments | (947) | - |
| Purchase of subsidiaries (net of cash and cash equivalents purchased) | (104) | (209) |
| Decrease (increase) in short-term deposits | 632 | (453) |
| Net cash used in investing activities | (769) | (869) |
| ----- | | |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 295 | 1,014 |
| Repayment of borrowings | (192) | - |
| Proceeds from disposal of shares in Employee Share Ownership Plan ("ESOP") | 37 | 13 |
| Purchase of own shares for ESOP | (76) | (17) |
| Purchase of own shares for cancellation | (214) | (408) |
| Interest paid | (154) | (105) |
| Dividends paid to shareholders | (233) | (191) |
| Net cash (used in) from financing activities | (537) | 306 |
| ----- | | |
| Effect of foreign exchange rate movements | - | 1 |
| Net (decrease) increase in cash and cash equivalents | (381) | 313 |
| ----- | | |
| Cash and cash equivalents at the beginning of the | | |

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| | | |
|--|-----|-----|
| year | 816 | 503 |
| Cash and cash equivalents at the end of the year | 435 | 816 |

Notes to the consolidated financial statements

The financial information set out in this preliminary announcement does not constitute statutory financial statements for the years ended 30 June 2007 or 2006, for the purpose of the Companies Act 1985, but it is derived from those financial statements. Statutory financial statements for 2006 have been filed with the Registrar of Companies and those for 2007 will be filed prior to the Group's next annual general meeting. The Group's auditors have reported on those accounts; their reports were unqualified and did not contain statements under s.237(2) or (3) Companies Act 1985.

Whilst the financial information included in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union ("IFRS"), this announcement does not itself contain sufficient information to comply with IFRS. The accounting policies applied in preparing this financial information are consistent with the Group's financial statements for the year ended 30 June 2006, with the exception of a new accounting policy relating to derivatives that qualify for fair value hedge accounting.

1. Revenue

| | 2007 | 2006 |
|------------------------------------|-------|-------|
| | GBPm | GBPm |
| ----- | | |
| Retail subscription | 3,406 | 3,157 |
| Wholesale subscription | 208 | 224 |
| Advertising | 352 | 342 |
| Sky Bet | 47 | 37 |
| Installation, hardware and service | 212 | 131 |
| Other | 326 | 257 |
| | 4,551 | 4,148 |
| ----- | | |

To provide a more relevant presentation, management has chosen to re-analyse the revenue categories from those previously reported. Other revenue now principally includes income from Sky Active, Sky Card, Sky Mobile TV, technical platform services and Easynet Enterprise.

2. Operating expense

| | 2007 | 2006 |
|------------------------------------|-------|-------|
| | GBPm | GBPm |
| ----- | | |
| Programming(i) | 1,539 | 1,599 |
| Transmission and related functions | 402 | 234 |
| Marketing | 734 | 622 |
| Subscriber management | 618 | 468 |
| Administration(ii) | 443 | 348 |
| | 3,736 | 3,271 |
| ----- | | |

(i) In the year ended 30 June 2007, the Group recognised a GBP65 million credit, arising from certain contractual rights under one of the Group's channel

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distribution agreements. This item was previously disclosed as a contingent asset in the Group's June 2006 consolidated financial statements.

(ii) In the year ended 30 June 2007, the Group recognised a GBP16 million expense relating to the legal costs incurred to date on the Group's claim against EDS (the information and technology solutions provider).

3. Investment income and finance costs

| | 2007 | 2006 |
|---|-------|-------|
| | GBPm | GBPm |
| ----- | | |
| Investment income | | |
| Cash, cash equivalents and short-term deposits | 33 | 52 |
| Dividends receivable from available-for-sale investments | 13 | - |
| | 46 | 52 |
| ----- | | |
| | 2007 | 2006 |
| | GBPm | GBPm |
| ----- | | |
| Finance costs | | |
| - Interest payable and similar charges | | |
| GBP1 billion Revolving Credit Facility | (12) | (2) |
| Guaranteed Notes | (135) | (123) |
| Finance lease interest | (8) | (4) |
| | (155) | (129) |
| ----- | | |
| - Other finance income (expense) | | |
| Remeasurement of borrowings and borrowings-related derivative financial instruments (i) | - | (10) |
| Remeasurement of programming-related derivative financial instruments (i) | 6 | (4) |
| | 6 | (14) |
| | (149) | (143) |
| ----- | | |

(i) Not qualifying for hedge accounting

4. Taxation

Taxation recognised in the income statement

| | 2007 | 2006 |
|---|------|------|
| | GBPm | GBPm |
| ----- | | |
| Current tax expense | | |
| Current year | 204 | 147 |
| Adjustment in respect of prior years | (15) | (6) |
| Total current tax charge | 189 | 141 |
| ----- | | |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | 22 | 106 |
| Adjustment in respect of prior years | 14 | - |
| Total deferred tax charge | 36 | 106 |
| ----- | | |
| Taxation | 225 | 247 |
| ----- | | |

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5. Earnings per share

The weighted average number of shares for the year was:

| | 2007 Millions of shares | 2006 Millions of shares |
|--|----------------------------------|----------------------------------|
| ----- | | |
| Ordinary shares | 1,759 | 1,830 |
| ESOP trust ordinary shares | (4) | (3) |
| Basic shares | 1,755 | 1,827 |
| ----- | | |
| Dilutive ordinary shares from share options | 12 | 5 |
| Diluted shares | 1,767 | 1,832 |
| ----- | | |

Basic and diluted earnings per share are calculated by dividing profit for the year into the weighted average number of shares for the year. In order to provide a measure of underlying performance, management have chosen to present an adjusted profit for the year which excludes items that may distort comparability. Such items arise from events or transactions that fall within the ordinary activities of the Group but which management believes should be separately identified to help explain underlying performance.

| | 2007 GBPm | 2006 GBPm |
|--|--------------|--------------|
| ----- | | |
| Reconciliation of profit for the year to adjusted profit for the year | | |
| Profit for the year | 499 | 551 |
| Remeasurement of all derivative financial instruments (not qualifying for hedge accounting) | (6) | 14 |
| Amount receivable from channel distribution agreement (note 2) | (65) | - |
| Legal costs relating to claim against EDS (note 2) | 16 | - |
| Tax effect of above items | 17 | (4) |
| Adjusted profit for the year | 461 | 561 |
| ----- | | |

| | 2007 pence | 2006 pence |
|--|---------------|---------------|
| ----- | | |
| Earnings per share from profit for the year | | |
| Basic | 28.4p | 30.2p |
| Diluted | 28.2p | 30.1p |
| Adjusted earnings per share from profit for the year | | |
| Basic | 26.3p | 30.7p |
| Diluted | 26.1p | 30.6p |
| ----- | | |

6. Dividends

| | 2007 GBPm | 2006 GBPm |
|-------|--------------|--------------|
| ----- | | |

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| | | |
|--|-----|-----|
| Dividends declared and paid during the year | | |
| 2005 Final dividend paid: 5.00p per ordinary share | - | 92 |
| 2006 Interim dividend paid: 5.50p per ordinary share | - | 99 |
| 2006 Final dividend paid: 6.70p per ordinary share | 117 | - |
| 2007 Interim dividend paid: 6.60p per ordinary share | 116 | - |
| | 233 | 191 |

The 2007 final dividend proposed is 8.9p per ordinary share being GBP155 million. The dividend was proposed after the balance date and is therefore not recognised as a liability as at 30 June 2007.

7. Goodwill

| | Total GBPm |
|-----------------------------------|---------------|
| ----- | |
| Carrying value | |
| At 1 July 2005 | 417 |
| Purchase of Easynet Group Limited | 216 |
| Other purchases | 4 |
| At 30 June 2006 | 637 |
| ----- | |
| Purchase of 365 Media Group plc | 77 |
| Other purchases | 27 |
| At 30 June 2007 | 741 |
| ----- | |

8. Intangible assets

| | Internally generated intangible assets GBPm | Other intangible assets GBPm | Other intangible assets not yet available for use GBPm | Total GBPm |
|--------------------------------------|---|---------------------------------------|--|---------------|
| ----- | | | | |
| Cost | | | | |
| At 30 June 2006 | 34 | 327 | 30 | 391 |
| Additions from business combinations | - | 24 | - | 24 |
| Other additions | 28 | 41 | 22 | 91 |
| Disposals | - | (51) | - | (51) |
| At 30 June 2007 | 62 | 341 | 52 | 455 |
| ----- | | | | |
| Amortisation | | | | |
| At 30 June 2006 | 16 | 157 | - | 173 |
| Amortisation for the year | 9 | 63 | - | 72 |
| Disposals | - | (51) | - | (51) |
| At 30 June 2007 | 25 | 169 | - | 194 |
| ----- | | | | |
| Carrying amounts | | | | |
| At 30 June 2006 | 18 | 170 | 30 | 218 |
| At 30 June 2007 | 37 | 172 | 52 | 261 |
| ----- | | | | |

9. Property, plant and equipment

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| | Land and freehold buildings GBPm | Leasehold improvements GBPm | Equipment, furniture and fittings GBPm | Assets not yet available for use GBPm | Total GBPm |
|--|---|-----------------------------------|--|---|---------------|
| ----- | | | | | |
| Cost | | | | | |
| At 30 June 2006 | 115 | 53 | 591 | 50 | 809 |
| Additions from business combination | - | - | 1 | - | 1 |
| Other additions | 5 | 6 | 232 | 27 | 270 |
| Disposals | (1) | (19) | (93) | - | (113) |
| Transfers | (14) | 24 | 30 | (40) | - |
| At 30 June 2007 | 105 | 64 | 761 | 37 | 967 |
| ----- | | | | | |
| Depreciation | | | | | |
| At 30 June 2006 | 13 | 34 | 243 | - | 290 |
| Depreciation | 5 | 4 | 111 | - | 120 |
| Disposals | (1) | (19) | (93) | - | (113) |
| At 30 June 2007 | 17 | 19 | 261 | - | 297 |
| ----- | | | | | |
| Carrying amounts | | | | | |
| At 30 June 2006 | 102 | 19 | 348 | 50 | 519 |
| At 30 June 2007 | 88 | 45 | 500 | 37 | 670 |
| ----- | | | | | |

10. Investments in joint ventures and associates

The movement in joint ventures and associates during the year was as follows:

| | 2007 GBPm | 2006 GBPm |
|------------------------------|--------------|--------------|
| ----- | | |
| Beginning of year | | |
| - Share of net assets | 28 | 23 |
| ----- | | |
| Movement in net assets | | |
| - Funding, net of repayments | 3 | 2 |
| - Dividends received | (9) | (7) |
| - Share of profits | 12 | 12 |
| Transfers to subsidiaries | - | (1) |
| Movement in other payables | - | (1) |
| ----- | | |
| End of year | | |
| - Share of net assets | 34 | 28 |
| ----- | | |

11. Available-for-sale investments

| | 2007 GBPm | 2006 GBPm |
|--------------------|--------------|--------------|
| ----- | | |
| Non-current assets | | |
| Equity investments | 797 | 2 |
| ----- | | |

On 17 November 2006, the Group acquired 696 million shares in ITV, representing 17.9% of the issued share capital of ITV, for a total consideration of GBP946 million including fees and taxes.

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12. Deferred tax

Recognised deferred tax assets

| | Fixed asset temporary differences | Tax losses | Short-term temporary differences | Share-based payments temporary differences | Financial Instruments temporary differences | Total |
|------------------------------|--|---------------|--|---|--|-------|
| | GBPm | GBPm | GBPm | GBPm | GBPm | GBPm |
| At 30 June 2006 | 26 | 33 | 8 | 11 | 22 | 100 |
| (Charge) credit to income | (32) | (18) | 1 | 12 | 1 | (36) |
| Credit (charge) to equity | - | - | - | 5 | (12) | (7) |
| Business combinations | (3) | - | - | - | - | (3) |
| At 30 June 2007 | (9) | 15 | 9 | 28 | 11 | 54 |

13. Inventories

| | 2007 GBPm | 2006 GBPm |
|-------------------------------------|--------------|--------------|
| Television programme rights | 290 | 277 |
| Set-top boxes and related equipment | 84 | 41 |
| Other inventories | 10 | 6 |
| | 384 | 324 |

14. Trade and other receivables

| | 2007 GBPm | 2006 GBPm |
|---|--------------|--------------|
| Net trade receivables | 204 | 207 |
| Amounts receivable from joint ventures and associates | 8 | 7 |
| Amounts receivable from other related parties | 1 | 1 |
| Prepayments | 175 | 156 |
| Accrued income | 91 | 107 |
| Other | 45 | 11 |
| | 524 | 489 |

Included within prepayments is GBP27 million (2006: GBP73 million) which is due in more than one year.

15. Trade and other payables

| | 2007 GBPm | 2006 GBPm |
|---|--------------|--------------|
| Trade payables | 380 | 352 |
| Amounts owed to joint ventures and associates | 3 | 5 |
| Amounts owed to other related parties | 36 | 31 |

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| | | |
|-----------------|-------|-------|
| VAT | 97 | 140 |
| Accruals | 468 | 428 |
| Deferred income | 245 | 246 |
| Other | 66 | 45 |
| | 1,295 | 1,247 |

16. Provisions

| | At 1 July 2006 GBPm | Provided during the year GBPm | Utilised during the year GBPm | At 30 June 2007 GBPm |
|------------------------------------|------------------------------|--|--|-------------------------------|
| Current liabilities | | | | |
| Provision for termination benefits | - | 3 | - | 3 |
| Other provisions | 6 | 1 | (2) | 5 |
| | 6 | 4 | (2) | 8 |
| Non-current liabilities | | | | |
| Other provisions | 19 | 2 | (3) | 18 |

17. Borrowings and non-current other payables

| | 2007 GBPm | 2006 GBPm |
|----------------------------------|--------------|--------------|
| Current borrowings | | |
| Guaranteed Notes | - | 162 |
| Loan Notes | 16 | - |
| Other current borrowings | - | 1 |
| | 16 | 163 |
| Non-current borrowings | | |
| Guaranteed Notes | 1,948 | 1,757 |
| Other non-current borrowings | - | 1 |
| Obligations under finance leases | 66 | 67 |
| | 2,014 | 1,825 |
| Non-current other payables | | |
| Accruals | 10 | 15 |
| Deferred income | 74 | 51 |
| | 84 | 66 |

18. Share capital

| | 2007 GBPm | 2006 GBPm |
|---|--------------|--------------|
| Authorised ordinary shares of 50p 3,000,000,000 (2006: 3,000,000,000) | 1,500 | 1,500 |
| Allotted, called-up and fully paid 1,752,842,599 (2006: 1,791,077,599) | 876 | 896 |

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| | 2007 | 2006 |
|---|-----------------|-----------------|
| | Number of | Number of |
| | ordinary shares | ordinary shares |
| ----- | | |
| Allotted and fully paid during the year | | |
| Beginning of year | 1,791,077,599 | 1,867,523,599 |
| Shares repurchased and subsequently cancelled | (38,235,000) | (76,446,000) |
| End of year | 1,752,842,599 | 1,791,077,599 |
| ----- | | |

19. Reconciliation of shareholders' equity

| | Share capital GBPm | Share premium GBPm | ESOP reserve GBPm | Hedging reserve GBPm | Available- for-sale reserve GBPm | Other reserves GBPm | Retained earnings GBPm | sharehol eq |
|--|-----------------------|-----------------------|----------------------|-------------------------|---|---------------------------|------------------------------|----------------|
| ----- | | | | | | | | |
| At 30 June 2006 | 896 | 1,437 | (25) | (52) | - | 311 | (2,446) | |
| Purchase of own equity shares for cancellation | (20) | - | - | - | - | 20 | (214) | |
| Recognition and transfer of cash flow hedges | - | - | - | 39 | - | - | - | |
| Tax on items taken directly to equity | - | - | - | (12) | - | - | 5 | |
| Revaluation of available-for-sale investments | - | - | - | - | (151) | - | - | |
| Share-based payment | - | - | (29) | - | - | - | 22 | |
| Profit for the year | - | - | - | - | - | - | 499 | |
| Dividends | - | - | - | - | - | - | (233) | |
| At 30 June 2007 | 876 | 1,437 | (54) | (25) | (151) | 331 | (2,367) | |
| ----- | | | | | | | | |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BRITISH SKY BROADCASTING GROUP PLC

Date: 27 July 2007

By: /s/ Dave Gormley
Dave Gormley
Company Secretary