

BRITISH SKY BROADCASTING GROUP PLC  
Form 6-K  
January 31, 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 January 2007  
31 January 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

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.

# Edgar Filing: BRITISH SKY BROADCASTING GROUP PLC - Form 6-K

## EXHIBIT INDEX

### Exhibit

EXHIBIT NO. 1 Press release of British Sky Broadcasting Group plc  
announcing US Accounting Release released on  
31 January 2007

Consolidated Income Statement for the half year ended 31 December 2006

	Notes	2006/07 Half year GBP million (unaudited)	2005/06 Half year GBP million (unaudited)	2005/06 Full year GBP million (audited)
Revenue	2	2,220	2,016	4,148
Operating expense	3	(1,825)	(1,602)	(3,271)
Operating profit		395	414	877
Share of results of joint ventures and associates		6	7	12
Investment income		24	20	52
Finance costs		(69)	(51)	(143)
Profit before tax		356	390	798
Taxation		(110)	(116)	(247)
Profit for the period		246	274	551
Earnings per share from profit for the period (in pence)				
Basic	4	14.0p	14.9p	30.2p
Diluted	4	14.0p	14.9p	30.1p

Consolidated Statement of Recognised Income and Expense for the half year ended  
31 December 2006

	2006/07 Half year GBP million (unaudited)	2005/06 Half year GBP million (unaudited)	2005/06 Full year GBP million (audited)
Profit for the period	246	274	551
Loss on available for sale investments	(207)	-	-
Net movement in hedging reserve			
Cash flow hedges	21	1	(54)
Tax on cash flow hedges	(6)	-	16
	15	1	(38)

Edgar Filing: BRITISH SKY BROADCASTING GROUP PLC - Form 6-K

Total recognised income and expense for the period	54	275	513
--	----	-----	-----

Consolidated Income Statement for the three months ended 31 December 2006

	2006/07 Three months ended 31 December GBP million (unaudited)	2005/06 Three months ended 31 December GBP million (unaudited)
Revenue	1,149	1,050
Operating expense	(934)	(851)
Operating profit	215	199
Share of results from joint ventures and associates	4	5
Investment income	10	12
Finance costs	(39)	(26)
Profit before tax	190	190
Taxation	(60)	(56)
Profit for the quarter	130	134
Earnings per share from profit for the quarter (in pence)		
Basic and diluted	7.4	7.3

Consolidated Balance Sheet as at 31 December 2006

	31 December 2006 GBP million Notes (unaudited)	31 December 2005 GBP million (unaudited)	30 June 2006 GBP million (audited)
Non-current assets			
Goodwill	659	417	637
Intangible assets	209	221	218
Property, plant and equipment	593	349	519
Investments in joint ventures and associates	31	29	28
Available for sale investments	771	52	2
Deferred tax assets	79	79	100
Derivative financial assets	-	13	-
	2,342	1,160	1,504

Edgar Filing: BRITISH SKY BROADCASTING GROUP PLC - Form 6-K

Current assets			
Inventories	609	568	324
Trade and other receivables	568	389	489
Short-term deposits	202	764	647
Cash and cash equivalents	402	889	816
Derivative financial assets	6	29	7
	1,787	2,639	2,283
-----			
Total assets	4,129	3,799	3,787
-----			
Current liabilities			
Borrowings	548	174	163
Trade and other payables	1,469	1,376	1,247
Current tax liabilities	140	116	82
Provisions	4	6	6
Derivative financial liabilities	36	26	49
	2,197	1,698	1,547
-----			
Non-current liabilities			
Borrowings	1,751	1,854	1,825
Other payables	63	23	66
Provisions	18	-	19
Derivative financial liabilities	245	80	209
	2,077	1,957	2,119
-----			
Total liabilities	4,274	3,655	3,666
-----			
Shareholders' (deficit) equity	6	(145)	121
-----			
Total liabilities and shareholders' (deficit) equity	4,129	3,799	3,787
-----			

Consolidated Cash Flow Statement for the half year ended 31 December 2006

	2006/07	2005/06	2005/06
	Half year	Half year	Full year
	GBP million	GBP million	GBP million
Notes	(unaudited)	(unaudited)	(audited)
-----			
Cash flows from operating activities			
Cash generated from operations	365	514	1,004
Interest received	32	16	43
Taxation paid	(39)	(76)	(172)
Net cash from operating activities	358	454	875
-----			
Cash flows from investing activities			
Dividends received from joint ventures and	4	3	7

Edgar Filing: BRITISH SKY BROADCASTING GROUP PLC - Form 6-K

associates			
Net funding to joint ventures and associates	-	(1)	(2)
Purchase of property, plant and equipment	(131)	(58)	(169)
Purchase of intangible assets	(27)	(36)	(43)
Purchase of available-for-sale investments	(975)	(51)	-
Decrease (increase) in short-term deposits	445	(570)	(453)
Purchase of subsidiaries (net of cash and cash equivalents purchased)	(19)	-	(209)
Net cash used in investing activities	(703)	(713)	(869)
-----			
Cash flows from financing activities			
Proceeds from borrowings	550	1,014	1,014
Repayment of borrowings	(191)	-	-
Proceeds from disposal of shares in Employee Share Ownership Plan ("ESOP")	8	7	13
Purchase of own shares for ESOP	(13)	-	(17)
Purchase of own shares for cancellation	(214)	(240)	(408)
Interest paid	(92)	(44)	(105)
Dividends paid to shareholders	(117)	(92)	(191)
Net cash (used in) from financing activities	(69)	645	306
-----			
Effect of foreign exchange rate movements	-	-	1
Net (decrease) increase in cash and cash equivalents	(414)	386	313
-----			
Cash and cash equivalents at the beginning of the period	816	503	503
Cash and cash equivalents at the end of the period	402	889	816
-----			

Notes to the interim financial statements

1 Basis of preparation

The financial information set out in this press release does not constitute statutory financial statements for the half years ended 31 December 2006 or 2005, for the purpose of the Companies Act 1985. Statutory financial statements for the year ended 30 June 2006 have been filed with the Registrar of Companies. 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 press release has been prepared in accordance with International Financial Reporting Standards ("IFRS"), this announcement does not itself contain sufficient information to comply with IFRS.

2 Revenue

Edgar Filing: BRITISH SKY BROADCASTING GROUP PLC - Form 6-K

	2006/07 Half year GBP million (unaudited)	2005/06 Half year GBP million (unaudited)	2005/06 Full year GBP million (audited)
Retail subscription	1,638	1,557	3,157
Wholesale subscription	109	112	224
Advertising	171	171	342
Sky Bet	20	16	37
Installation, hardware and service	119	70	131
Other	163	90	257
	2,220	2,016	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 Easynet Enterprise, Sky Active and technical platform service revenue.

3 Operating expense

	2006/07 Half year GBP million (unaudited)	2005/06 Half year GBP million (unaudited)	2005/06 Full year GBP million (audited)
Programming	748	810	1,599
Transmission and related functions	181	87	234
Marketing	375	332	622
Subscriber management	313	219	468
Administration	208	154	348
	1,825	1,602	3,271

Included within programming for the half year ended 31 December 2006 is a GBP65 million credit due to the Group arising from certain contractual rights under one of the Group's channel distribution agreements. This item was previously disclosed as a contingent asset in the Group's June 2006 financial statements.

Included within administration for the half year ended 31 December 2006 is GBP6 million of expense relating to the legal costs of the Group's claim against EDS (an information and technology solutions provider (see note 8b)).

4 Earnings per share

2006/07 Half year	2005/06 Half year	2005/06 Full year
----------------------	----------------------	----------------------

Edgar Filing: BRITISH SKY BROADCASTING GROUP PLC - Form 6-K

	Millions of shares (unaudited)	Millions of shares of (unaudited)	Millions of shares (audited)
-----			
Weighted average number of shares			
Ordinary shares	1,765	1,849	1,830
ESOP trust ordinary shares	(3)	(4)	(3)
Basic shares	1,762	1,845	1,827
-----			
Dilutive ordinary shares from share options	1	2	5
Diluted shares	1,763	1,847	1,832
-----			

The calculation of diluted earnings per share excludes 21 million share options (2005/06: half year 34 million; full year 37 million), which could potentially dilute earnings per share in the future. These options do not currently have a dilutive effect as the exercise price of the options exceeds the average market price of ordinary shares during the period.

Basic and diluted earnings per share is calculated by dividing profit for the period into the weighted average number of shares for the period. 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.

	2006/07 Half year GBP million (unaudited)	2005/06 Half year GBP million (unaudited)	2005/06 Full year GBP million (audited)
-----			
Reconciliation from profit for the period to adjusted profit for the period			
Profit for the period	246	274	551
Remeasurement of all derivative financial instruments (not qualifying for hedge accounting)	(8)	(4)	14
Amount receivable from channel distribution agreement (see note 2)	(65)	-	-
Legal costs relating to claim against EDS (see note 3)	6	-	-
Tax effect of above items	20	1	(4)
Adjusted profit for the period	199	271	561
-----			

5 Dividends

	2006/07 Half year GBP million (unaudited)	2005/06 Half year GBP million (unaudited)	2005/06 Full year GBP million (audited)
--	--	--	--

Edgar Filing: BRITISH SKY BROADCASTING GROUP PLC - Form 6-K

2005 Final dividend paid: 5.00p per ordinary share	-	92	92
2006 Interim dividend paid: 5.50p per ordinary share	-	-	99
2006 Final dividend paid: 6.70p per ordinary share	117	-	-
	117	92	191
-----			
Dividends proposed after the balance sheet date and not recognised as a liability			
2007 Interim dividend proposed: 6.6p per ordinary share	115	-	-
-----			

6 Reconciliation of movement in shareholders' (deficit) equity

	Share capital GBP million	Share premium GBP million	ESOP reserve GBP million	Hedging reserve GBP million	Available for sale reserve GBP million	Other reserves GBP million
At 1 July 2005	934	1,437	(32)	(14)	-	273
Purchase of own shares for cancellation	(23)	-	-	-	-	23
Recognition and transfer of cash flow hedges	-	-	-	1	-	-
Tax on items taken directly to equity	-	-	-	-	-	-
Share-based payment	-	-	15	-	-	-
Profit for the period	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
At 1 January 2006	911	1,437	(17)	(13)	-	296
-----						
Purchase of own shares for cancellation	(15)	-	-	-	-	15
Recognition and transfer of cash flow hedges	-	-	-	(55)	-	-
Tax on items taken directly to equity	-	-	-	16	-	-
Share-based payment	-	-	(8)	-	-	-
Profit for the period	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
At 1 July 2006	896	1,437	(25)	(52)	-	311
-----						
Purchase of own shares for cancellation	(19)	-	-	-	-	19
Recognition and transfer of cash flow hedges	-	-	-	21	-	-
Tax on items taken directly to equity	-	-	-	(6)	-	-
Revaluation of available						



## Edgar Filing: BRITISH SKY BROADCASTING GROUP PLC - Form 6-K

for sale investments	-	-	-	-	(207)	-
Share-based payment	-	-	1	-	-	-
Profit for the period	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
At 31 December 2006	877	1,437	(24)	(37)	(207)	330

---

The periods from 1 July to 31 December are unaudited.

### 7 Notes to the consolidated cash flow statement

#### a) Reconciliation of profit before taxation to cash generated from operations

	2006/07 Half year GBP million (unaudited)	2005/06 Half year GBP million (unaudited)	2005/06 Full year GBP million (audited)
Profit before tax	356	390	798
Depreciation of property, plant and equipment	58	36	89
Amortisation of intangible assets	33	20	51
Net finance costs	45	31	91
Share of results of joint ventures and associates	(6)	(7)	(12)
Increase in trade and other receivables	(118)	(54)	(102)
(Increase) decrease in inventories	(294)	(211)	31
Increase in trade and other payables	289	312	55
Decrease in provisions	(3)	(7)	(13)
Decrease in derivative financial instruments	5	4	16
Cash generated from operations	365	514	1,004

---

### 8 Other matters

#### a) Contingent liabilities

The Group has contingent liabilities by virtue of its investments in joint ventures and associates that are unlimited companies, or partnerships, which include The History Channel (U.K.), Paramount U.K. and NGC-U.K.. The Group's share of contingent liabilities of its joint ventures and associates incurred jointly with the other investors is nil (2005/06: half year nil; full year nil).

The Directors do not expect any material loss to arise from the above contingent liabilities.

#### b) Contingent assets

The Group has served a claim for a material amount against EDS (an information and technology solutions provider) which provided services to the Group as part of the Group's investment in customer management systems software and infrastructure. The amount which may be recovered by the Group will not be finally determined until resolution of the claim.

## Edgar Filing: BRITISH SKY BROADCASTING GROUP PLC - Form 6-K

c) Changes in estimates

There have been no material changes in estimates of amounts reported in the six months ended 31 December 2006 or in the year ended 30 June 2006.

### 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: 31 January 2007

By: /s/ Dave Gormley  
Dave Gormley  
Company Secretary