

BRITISH SKY BROADCASTING GROUP PLC

Form 6-K

July 28, 2006

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 2006
28 July 2006

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
28 July 2006

Consolidated Income Statement for the year ended 30 June 2006

	Notes	2006 GBPm	2005 GBPm
Revenue	1	4,148	3,842
Operating expense	2	(3,271)	(3,020)
Operating profit		877	822
Share of results of joint ventures and associates	11	12	14
Investment income	3	52	29
Finance costs	3	(143)	(87)
Profit on disposal of joint venture	4	-	9
Profit before tax		798	787
Taxation	5	(247)	(209)
Profit for the year		551	578
Earnings per share (in pence) from profit for the year			
Basic	6	30.2p	30.2p
Diluted	6	30.1p	30.2p

Consolidated Income Statement for the quarter ended 30 June 2006

	Three months ended 30 June 2006 GBPm (unaudited)	Three months ended 30 June 2005 GBPm (unaudited)
Revenue	1,069	1,029
Operating expense	(852)	(780)
Operating profit	217	249
Share of results from joint ventures and associates	3	3
Investment income	15	7
Finance costs	(46)	(18)

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

Profit before tax	189	241
Taxation	(63)	(48)
Profit for the quarter	126	193
Earnings per share (in pence) from profit for the quarter		
Basic and diluted	7.0p	10.3p

Consolidated Statement of Recognised Income and Expense for the year ended 30 June 2006

	2006 GBPm	2005 GBPm
Profit for the year	551	578
Net movements in hedging reserve		
Cash flow hedges	(54)	(18)
Tax on cash flow hedges	16	5
	(38)	(13)
Total recognised income and expense for the year	513	565

Consolidated Balance Sheet as at 30 June 2006

	Notes	2006 GBPm	2005 GBPm
Non-current assets			
Goodwill	8	623	417
Intangible assets	9	218	202
Property, plant and equipment	10	519	335
Investments in joint ventures and associates	11	28	23
Available for sale investments		2	2
Deferred tax assets	12	100	105
Derivative financial assets		-	9
		1,490	1,093
Current assets			
Inventories	13	324	321
Trade and other receivables	14	489	331
Short-term deposits		647	194
Cash and cash equivalents		816	503
Derivative financial assets		7	14
		2,283	1,363
Total assets		3,773	2,456
Current liabilities			

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

Borrowings	17	163	-
Trade and other payables	15	1,247	1,031
Current tax liabilities		68	100
Provisions	16	6	13
Derivative financial liabilities		49	6
		1,533	1,150
Non-current liabilities			
Borrowings	17	1,825	982
Other payables	17	66	25
Provisions	16	19	-
Derivative financial liabilities		209	112
		2,119	1,119
Total liabilities		3,652	2,269
Shareholders' equity	19	121	187
Total liabilities and shareholders' equity		3,773	2,456

Consolidated Cash Flow Statement for the year ended 30 June 2006

	2006 GBPm	2005 GBPm
Cash flows from operating activities		
Cash generated from operations	1,004	989
Interest received	43	28
Taxation paid	(172)	(103)
Net cash from operating activities	875	914
Cash flows from investing activities		
Dividends received from joint ventures and associates	7	12
Funding to joint ventures and associates	(3)	(4)
Repayments of funding from joint ventures and associates	1	8
Proceeds from the sale of a joint venture	-	14
Purchase of property, plant and equipment	(169)	(149)
Purchase of intangible assets	(43)	(92)
Proceeds from the sale of equity investments	-	1
Increase in short-term deposits	(453)	(60)
Purchase of subsidiaries (net of cash and cash equivalents purchased)	(209)	-
Net cash used in investing activities	(869)	(270)
Cash flows from financing activities		
Proceeds from issue of Guaranteed Notes	1,014	-
Proceeds from disposal of shares in Employee Share Ownership Plan ("ESOP")	13	4
Purchase of own shares for ESOP	(17)	(14)
Purchase of own shares for cancellation	(408)	(416)
Interest paid	(105)	(91)
Dividends paid to shareholders	(191)	(138)

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

Net cash from (used in) financing activities	306	(655)
Effect of foreign exchange rate movements	1	1
Net increase (decrease) in cash and cash equivalents	313	(10)
Cash and cash equivalents at the beginning of the year	503	513
Cash and cash equivalents at the end of the year	816	503

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 2006 or 2005, for the purpose of the Companies Act 1985, but it is derived from those financial statements. Statutory financial statements for 2005 have been filed with the Registrar of Companies and those for 2006 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 ("IFRS"), this announcement does not itself contain sufficient information to comply with IFRS.

1. Revenue

	2006 GBPm	2005 GBPm
Direct-to-home ("DTH") subscribers	3,154	2,968
Cable subscribers	224	219
Advertising	342	329
Sky Bet	37	32
Sky Active	91	92
Other	300	202
	4,148	3,842

2. Operating expense

	2006 GBPm	2005 GBPm
Programming	1,599	1,635
Transmission and related functions	234	171
Marketing	622	527
Subscriber management	468	392
Administration	348	295
	3,271	3,020

3. Investment income and finance costs

	2006 GBPm	2005 GBPm
Investment income		
Investment income from cash, cash equivalents and short-term deposits	52	29
	2006 GBPm	2005 GBPm
Finance costs		
- Interest payable and similar charges		
GBP600 million RCF	-	(4)
GBP1 billion revolving credit facility ("RCF")	(2)	(2)
Guaranteed Notes	(123)	(84)
Finance lease interest	(4)	(1)
	(129)	(91)
- Other finance (expense) income		
Remeasurement of borrowings-related derivative financial instruments (not qualifying for hedge accounting)	(10)	5
Remeasurement of programming-related derivative financial instruments (not qualifying for hedge accounting)	(4)	(1)
	(14)	4
	(143)	(87)

4. Profit on disposal of joint venture

In November 2004, the Group sold its 49.5% investment in Granada Sky Broadcasting for GBP14 million in cash, realising a profit on disposal of GBP9 million. The Group realised no profit or loss on disposal during the year ended 30 June 2006.

5. Taxation

Taxation recognised in the income statement

	2006 GBPm	2005 GBPm
Current tax expense		
Current year	147	163
Adjustment in respect of prior years	(6)	(8)
Total current tax charge	141	155
Deferred tax expense		
Origination and reversal of temporary differences	106	71

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

Adjustment in respect of recoverable deferred tax asset	-	(17)
Total deferred tax charge	106	54
Taxation	247	209

6. Earnings per share

The weighted average number of shares for the year was:

	2006 Millions of shares	2005 Millions of shares
Ordinary shares	1,830	1,917
ESOP trust ordinary shares	(3)	(4)
Basic shares	1,827	1,913
Dilutive ordinary shares from share options	5	4
Diluted shares	1,832	1,917

Basic and diluted earning per share is 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.

	2006 GBPm	2005 GBPm
Reconciliation from profit for the year to adjusted profit for the year		
Profit for the year	551	578
Payment from ITV Digital liquidators	-	(13)
Profit on disposal of joint venture	-	(9)
Remeasurement of all derivative financial instruments (not qualifying for hedge accounting)	14	(4)
Tax effect of above items	(4)	5
Increase in estimate of recoverable tax assets in respect of prior years	-	(17)
Adjusted profit for the year	561	540
	2006 pence	2005 pence
Earnings per share from profit for the year		
Basic	30.2p	30.2p
Diluted	30.1p	30.2p
Adjusted earnings per share from profit for the year		
Basic	30.7p	28.2p
Diluted	30.6p	28.2p

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

7. Dividends

	2006 GBPm	2005 GBPm
Dividends declared and paid during the year		
2004 Final dividend paid: 3.25p per ordinary share	-	63
2005 Interim dividend paid: 4.00p per ordinary share	-	77
2005 Final dividend paid: 5.00p per ordinary share	92	-
2006 Interim dividend paid: 5.50p per ordinary share	99	-
	191	140
Dividends proposed after the balance sheet date and not recognised as a liability		
2006 Final dividend proposed: 6.70p per ordinary share	120	-

8. Goodwill

	Total GBPm
Carrying value	
At 1 July 2004 and 30 June 2005	417
Purchase of the Easynet Group plc ("Easynet")	202
Other purchases	4
At 30 June 2006	623

9. Intangible assets

	Internally generated intangible assets GBPm	Other intangible assets GBPm	Internally generated intangible assets not yet available for use GBPm	Other intangible assets not yet available for use GBPm	Total GBPm
Cost					
At 30 June 2005	23	181	6	136	346
Business combinations	-	29	-	-	29
Other additions	5	24	-	9	38
Disposals	-	(22)	-	-	(22)
Transfers	6	115	(6)	(115)	-
At 30 June 2006	34	327	-	30	391
Amortisation					
At 30 June 2005	14	130	-	-	144
Amortisation for the year	2	49	-	-	51

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

Disposals	-	(22)	-	-	(22)
At 30 June 2006	16	157	-	-	173
Carrying amounts					
At 30 June 2005	9	51	6	136	202
At 30 June 2006	18	170	-	30	218

10. Property, plant and equipment

	Land and freehold buildings	Leasehold improvements	Equipment, furniture and fittings	Assets not yet available for use	Total
	GBPm	GBPm	GBPm	GBPm	GBPm
Cost					
At 30 June 2005	70	42	431	123	666
Business combinations	-	12	67	-	79
Other additions	-	1	163	30	194
Disposals	(3)	(2)	(125)	-	(130)
Transfers	48	-	55	(103)	-
At 30 June 2006	115	53	591	50	809
Depreciation					
At 30 June 2005	13	31	287	-	331
Depreciation	3	5	81	-	89
Disposals	(3)	(2)	(125)	-	(130)
Transfers	-	-	-	-	-
At 30 June 2006	13	34	243	-	290
Carrying amounts					
At 30 June 2005	57	11	144	123	335
At 30 June 2006	102	19	348	50	519

11. Investments in joint ventures and associates

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

	2006 GBPm	2005 GBPm
Beginning of year		
- Share of net assets	23	33
Movement in net assets		
- Net repayment of loans	2	(4)
- Dividends received	(7)	(12)
- Disposals	-	(4)
- Share of results	12	14
Transfers to subsidiaries	(1)	(1)
Movement in creditors	(1)	(3)

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

End of year
 - Share of net assets 28 23

12. Deferred tax

Recognised deferred tax assets

	Fixed asset timing differences GBPm	Tax losses GBPm	Short-term timing differences GBPm	Other GBPm	Total GBPm
At 1 July 2005	14	68	12	11	105
(Charge) credit to income	(71)	(35)	-	-	(106)
Credit to equity	-	-	-	18	18
Business combinations	83	-	-	-	83
At 30 June 2006	26	33	12	29	100

13. Inventories

	2006 GBPm	2005 GBPm
Television programme rights	277	291
Digiboxes and related equipment	41	28
Other inventories	6	2
	324	321

14. Trade and other receivables

	2006 GBPm	2005 GBPm
Trade receivables	207	134
Amounts receivable from joint ventures and associates	7	6
Amounts receivable from other related parties	1	1
Prepayments	156	114
Accrued income	107	72
Other receivables	11	4
	489	331

Included within the amounts shown above are the following receivables which are due in more than one year:

	2006 GBPm	2005 GBPm
Prepayments	73	32

15. Trade and other payables

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

	2006 GBPm	2005 GBPm
Trade payables	352	346
Amounts owed to joint ventures and associates	5	3
Amounts owed to other related parties	31	34
VAT	140	101
Accruals	428	308
Deferred income	246	186
Other payables	45	53
	1,247	1,031

16. Provisions

	At 1 July 2005 GBPm	Provided during the year GBPm	Utilised during the year GBPm	At 30 June 2006 GBPm
Current liabilities				
Provision for termination benefits	11	-	(11)	-
Other provisions	2	6	(2)	6
	13	6	(13)	6
Non-current liabilities				
Provisions	-	19	-	19

17. Borrowings and non-current other payables

	2006 GBPm	2005 GBPm
Current borrowings		
Guaranteed Notes	162	-
Bank loan	1	-
	163	-
Non-current borrowings		
Guaranteed Notes	1,757	975
Bank loan	1	-
Obligations under finance lease liabilities	67	7
	1,825	982
Non-current other payables		
Accruals	15	25
Deferred income	51	-
	66	25

18. Share capital

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

	2006 GBPm	2005 GBPm
Authorised 3,000,000,000 (2005: 3,000,000,000) ordinary shares of 50p	1,500	1,500

Allotted, called-up and fully paid 1,791,077,599 (2005: 1,867,523,599) ordinary shares of 50p	896	934
---	-----	-----

	2006	2005
	Number of ordinary shares	Number of ordinary shares
Allotted and fully paid during the year		
Beginning of year	1,867,523,599	1,941,712,786
Options exercised under the Sharesave Scheme at between GBP3.720 and GBP6.112	-	129,813
Shares repurchased and subsequently cancelled	(76,446,000)	(74,319,000)
End of year	1,791,077,599	1,867,523,599

19. Reconciliation of shareholders' equity

	Share capital GBPm	Share premium GBPm	Capital redemption reserve GBPm	Special reserve GBPm	ESOP reserve GBPm	Merger reserve GBPm	Hedging reserve GBPm	Retained earnings GBPm
At 30 June 2005	934	1,437	37	14	(32)	222	(14)	(2,411)
Purchase of own shares for cancellation	(38)	-	38	-	-	-	-	(40)
Recognition and transfer of cash flow hedges	-	-	-	-	-	-	(54)	
Tax on items taken directly to equity	-	-	-	-	-	-	16	
Share-based payment	-	-	-	-	7	-	-	1
Profit for the year	-	-	-	-	-	-	-	55
Dividends	-	-	-	-	-	-	-	(19)
At 30 June 2006	896	1,437	75	14	(25)	222	(52)	(2,444)

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.

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

BRITISH SKY BROADCASTING GROUP PLC

Date: 28 July 2006

By: /s/ Dave Gormley
Dave Gormley
Company Secretary