

Consolidated financial statements

Consolidated income statement

for the year ended 30 June 2015

	Notes	2015 £m	2014 £m
Continuing Operations			
Revenue	2	9,989	7,450
Operating expense	2	(9,017)	(6,346)
Operating profit		972	1,104
Share of results of joint ventures and associates	15	28	35
Investment income	4	8	26
Finance costs	4	(283)	(140)
Profit on disposal of available-for-sale-investments	5	492	-
Profit on disposal of associate	6	299	-
Profit before tax	7	1,516	1,025
Taxation	9	(184)	(205)
Profit for the year from continuing operations		1,332	820
Discontinued Operations			
Profit for the year from discontinued operations	3	620	45
Profit for the year		1,952	865
Profit (loss) for the year attributable to:			
Equity shareholders of the parent company		1,957	865
Non-controlling interests		(5)	-
		1,952	865
Earnings per share from profit for the year (in pence)			
Basic			
Continuing operations	10	79.1p	52.5p
Discontinued operations	10	36.7p	2.9p
Total	10	115.8p	55.4p
Diluted			
Continuing operations	10	78.2p	52.0p
Discontinued operations	10	36.2p	2.9p
Total	10	114.4p	54.9p

The accompanying notes are an integral part of this consolidated income statement.

Consolidated statement of comprehensive income

for the year ended 30 June 2015

	2015 £m	2014 £m
Profit for the year	1,952	865
Other comprehensive income		
Amounts recognised directly in equity that may subsequently be recycled to the income statement		
Gain on revaluation of available-for-sale investments	36	104
Gain (loss) on cash flow hedges	276	(176)
Tax on cash flow hedges	(57)	39
Exchange differences on translation of foreign operations net of net investment hedges	(213)	-
	42	(33)
Amounts reclassified and reported in the income statement		
(Loss) gain on cash flow hedges	(174)	137
Tax on cash flow hedges	37	(31)
Transfer to income statement on disposal of available-for-sale investment (see note 5)	(492)	-
Transfer to income statement on disposal of associate	(38)	-
	(667)	106
Other comprehensive (loss) income for the year (net of tax)	(625)	73
Total comprehensive income for the year	1,327	938
Total comprehensive income for the year attributable to:		
Equity shareholders of the parent company	1,345	938
Non-controlling interests	(18)	-
	1,327	938

Consolidated balance sheet

as at 30 June 2015

	Notes	2015 £m	2014 £m
Non-current assets			
Goodwill	12	4,160	1,019
Intangible assets	13	4,084	810
Property, plant and equipment	14	1,646	1,088
Investments in joint ventures and associates	15	133	173
Available-for-sale investments	16	31	533
Deferred tax assets	17	175	31
Programme distribution rights	18	31	20
Trade and other receivables	19	86	7
Derivative financial assets	23	453	195
		10,799	3,876
Current assets			
Inventories	18	847	546
Trade and other receivables	19	1,096	635
Current tax assets		8	-
Short-term deposits	23	1,100	295
Cash and cash equivalents	23	1,378	1,082
Derivative financial assets	23	130	15
		4,559	2,573
Total assets		15,358	6,449
Current liabilities			
Borrowings	22	494	11
Trade and other payables	20	3,430	2,286
Current tax liabilities		154	128
Provisions	21	103	48
Derivative financial liabilities	23	23	46
		4,204	2,519
Non-current liabilities			
Borrowings	22	7,418	2,658
Trade and other payables	20	94	56
Provisions	21	77	14
Derivative financial liabilities	23	60	129
Deferred tax liabilities	17	281	1
		7,930	2,858
Total liabilities		12,134	5,377
Share capital	25	860	781
Share premium	26	2,704	1,437
Reserves	26	(399)	(1,146)
Total equity attributable to equity shareholders of the parent company	26	3,165	1,072
Total equity attributable to non-controlling interests		59	-
Total liabilities and equity		15,358	6,449

The accompanying notes are an integral part of this consolidated balance sheet.

These consolidated financial statements of Sky plc, registered number 02247735, have been approved and authorised for issue by the Board of Directors on 28 July 2015 and were signed on its behalf by:

Jeremy Darroch
Group Chief Executive Officer

Andrew Griffith
Group Chief Financial Officer

Consolidated financial statements

(continued)

Consolidated cash flow statement

for the year ended 30 June 2015

	Notes	2015 £m	2014 £m
Continuing operations			
Cash flows from operating activities			
Cash generated from operations	27	2,080	1,696
Interest received and dividends from available-for-sale investments		9	27
Taxation paid		(219)	(229)
Net cash from operating activities		1,870	1,494
Cash flows from investing activities			
Dividends received from joint ventures and associates		25	32
Net funding to joint ventures and associates		(10)	(6)
Proceeds on disposal of available-for-sale investment		546	-
Purchase of property, plant and equipment		(385)	(238)
Purchase of intangible assets		(357)	(302)
Purchase of subsidiaries (net of cash and cash equivalents purchased)		(6,340)	(20)
Purchase of available-for-sale investments		(88)	(7)
(Increase) decrease in short-term deposits		(805)	300
Net cash used in investing activities		(7,414)	(241)
Cash flows from financing activities			
Net proceeds from borrowings		5,364	-
Repayment of borrowings		(272)	-
Repayment of obligations under finance leases		(10)	(4)
Proceeds from disposal of shares in Employee Share Ownership Plan ('ESOP')		10	11
Purchase of own shares for ESOP		(12)	(164)
Purchase of own shares for cancellation		-	(266)
Issue of own shares		1,346	-
Interest paid		(246)	(137)
Purchase of non-controlling interests		(328)	-
Dividends paid to shareholders of the parent		(549)	(485)
Net cash from (used in) financing activities		5,303	(1,045)
Effect of foreign exchange rate movements		(67)	-
Net (decrease) increase in cash and cash equivalents from continuing operations		(308)	208
Net increase in cash and cash equivalents from discontinued operations		604	59
Cash and cash equivalents at the beginning of the year		1,082	815
Cash and cash equivalents at the end of the year		1,378	1,082

The accompanying notes are an integral part of this consolidated cash flow statement.

Consolidated statement of changes in equity

for the year ended 30 June 2015

	Attributable to equity shareholders of the parent company							Total share-holders' equity £m	Non-controlling interests £m	Total equity £m
	Share capital £m	Share premium £m	ESOP reserve £m	Hedging reserve £m	Available-for-sale reserve £m	Other reserves £m	Retained earnings £m			
At 1 July 2013	797	1,437	(147)	11	351	439	(1,876)	1,012	-	1,012
Profit for the year	-	-	-	-	-	-	865	865	-	865
Revaluation of available-for-sale investments	-	-	-	-	104	-	-	104	-	104
Recognition and transfer of cash flow hedges	-	-	-	(39)	-	-	-	(39)	-	(39)
Tax on items taken directly to equity	-	-	-	8	-	-	-	8	-	8
Total comprehensive income for the year	-	-	-	(31)	104	-	865	938	-	938
Share-based payment	-	-	2	-	-	-	(95)	(93)	-	(93)
Tax on items taken directly to equity	-	-	-	-	-	-	9	9	-	9
Share buy-back programme:										
- Purchase of own shares for cancellation	(16)	-	-	-	-	16	(250)	(250)	-	(250)
- Financial liability for close period purchases	-	-	-	-	-	-	(59)	(59)	-	(59)
Dividends	-	-	-	-	-	-	(485)	(485)	-	(485)
At 30 June 2014	781	1,437	(145)	(20)	455	455	(1,891)	1,072	-	1,072
Profit for the year	-	-	-	-	-	-	1,957	1,957	(5)	1,952
Exchange differences on translation of foreign operations net of net investment hedges	-	-	-	-	-	(200)	-	(200)	(13)	(213)
Revaluation of available-for-sale investments	-	-	-	-	36	-	-	36	-	36
Transfer to income statement on disposal of associate	-	-	-	-	-	(38)	-	(38)	-	(38)
Transfer to income statement on disposal of available-for-sale investment (see note 5)	-	-	-	-	(492)	-	-	(492)	-	(492)
Transfer on disposal of subsidiaries	-	-	-	-	-	(97)	97	-	-	-
Recognition and transfer of cash flow hedges	-	-	-	102	-	-	-	102	-	102
Tax on items taken directly to equity	-	-	-	(20)	-	-	-	(20)	-	(20)
Total comprehensive income for the year	-	-	-	82	(456)	(335)	2,054	1,345	(18)	1,327
Share-based payment	-	-	20	-	-	-	69	89	-	89
Issue of own equity shares	79	1,267	-	-	-	-	-	1,346	-	1,346
Non-controlling interests arising on purchase of subsidiaries	-	-	-	-	-	-	-	-	191	191
Tax on items taken directly to equity	-	-	-	-	-	-	17	17	-	17
Share buy-back programme:										
- Reversal of financial liability for close period purchases	-	-	-	-	-	-	59	59	-	59
Dividends	-	-	-	-	-	-	(549)	(549)	-	(549)
Purchase of non-controlling interests	-	-	-	-	-	-	(214)	(214)	(114)	(328)
At 30 June 2015	860	2,704	(125)	62	(1)	120	(455)	3,165	59	3,224

For a description of the nature and purpose of each equity reserve, see note 26.

The accompanying notes are an integral part of this consolidated statement of changes in equity.