BRITISH SKY BROADCASTING GROUP PLC
Form 6-K
August 04, 2004

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a - 16 or 15d - 16 of

the Securities Exchange Act of 1934

For the month of August 2004
4 August 2004

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.

EXHIBIT INDEX

EXHIBIT NO. 1 Excerpt from the announcement made by British Sky Broadcasting Group plc of its financial results for the year ended June 30, 2004

British Sky Broadcasting Group plc

Consolidated Profit and Loss Account for the year ended 30 June 2004

	Notes	Before goodwill and exceptional items GBPm (audited)	Goodwill and exceptional items GBPm (audited)	2004 Total GBPm (audited)	Before goodwill and exceptional items as restated* GBPm (audited)
Group and share of joint ventures' turnover		3,738	-	3,738	3,263
Less: share of joint ventures' turnover		(82)	-	(82)	(77)
Group turnover	1	3,656	-	3,656	3,186
Operating expenses, net	2	(3,056)	(119)	(3,175)	(2,822)
Operating profit		600	(119)	481	364
Share of joint venture' and associates' operating results	3	(5)	10	5	3
Profit on disposal of fixed asset investments	4	-	51	51	-
Amounts written back to (written off) fixed asset investments, net	4	-	24	24	-
Profit on ordinary activities before interest and taxation		595	(34)	561	367
Interest receivable and similar income	5	10	-	10	4
Interest payable and similar charges	5	(91)	-	(91)	(118)
Profit on ordinary activities before taxation		514	(34)	480	253
Tax (charge) credit on profit on ordinary activities	6	(158)	-	(158)	(59)
Profit on ordinary activities after taxation		356	(34)	322	194
Equity dividends	7			(116)	
Retained profit for the financial year	15			206	
Earnings per share - basic				16.6p	
Earnings per share - diluted				16.6p	

*The full year results for 2003 have been restated following the adoption of Urgent Issues Task Force abstract 38 "Accounting for ESOP trusts" ("UITF 38"). UITF 38 requires that the Company's shares held by the Group's Employee Share

Ownership Plan ("ESOP"), which were previously held within fixed asset investments, be presented as a deduction from shareholders' funds. In addition, the charge to the profit and loss account in relation to awards under the Long-Term Incentive Plan ("LTIP"), the Key Contributor Plan ("KCP") and the Equity Bonus Plan ("EBP"), which was previously based on the cost of shares held by the ESOP, is now based on the difference between the market price on the date of grant and the exercise price. The adoption of UITF 38 has been treated as a prior year adjustment with comparative figures being restated accordingly.

There were no recognised gains or losses in either year other than those included within the profit and loss account, with the exception of a prior period adjustment in respect of adoption of UITF 38. The cumulative effect of this adjustment was a GBP12 million reduction to the brought forward profit and loss reserve at 1 July 2003.

Details of movements on reserves are shown in note 15.

The accompanying notes are an integral part of this consolidated profit and loss account.

All results relate to continuing operations.

Consolidated Profit and Loss Account for the three months ended 30 June 2004

	Before goodwill and exceptional items GBPm (unaudited)	Goodwill and exceptional items GBPm (unaudited)	Three months ended 30 June 2004 Total GBPm (unaudited)	Before goodwill and exceptional items as restated* GBPm (unaudited)	exc (u
Group and share of joint ventures' turnover	979	-	979	875	
Less: share of joint ventures' turnover	(20)	-	(20)	(20)	
Group turnover	959	-	959	855	
Operating expenses, net	(797)	(32)	(829)	(740)	
Operating profit	162	(32)	130	115	
Share of joint ventures' and associates' operating results	(1)	10	9	2	
Amounts written back to fixed asset investments	-	-	-	-	
Profit on ordinary activities before interest and taxation	161	(22)	139	117	
Interest receivable and similar income	5	-	5	1	
Interest payable and similar charges	(23)	-	(23)	(25)	

Profit on ordinary activities before taxation	143	(22)	121	93
Tax (charge) credit on profit on ordinary activities	(42)	-	(42)	(38)
Profit on ordinary activities after taxation	101	(22)	79	55
Equity dividends			(63)	
Retained profit for the period			16	
Earnings per share - basic			4.1p	
Earnings per share - diluted			4.1p	

*The results for the three months ended 30 June 2003 have been restated following the adoption of UITF 38.

Consolidated Balance Sheet at 30 June 2004

		Notes		2004 GBPm (audited)
Fixed assets				
Intangible fixed assets		8		417
Tangible fixed assets		9		376
Investments:				
Investments in associates			1	
Investments in joint ventures	: Share of gross assets		72	
	: Share of gross liabilities		(45)	
	: Transfer to creditors		5	
Total investments in joint ventures and associates		10		33
Other fixed asset investments		10		2
Total investments				35
				828
Current assets				
Stocks		11		375
Debtors: Amounts falling due within one year		12		
	- deferred tax asset			49
	- other			321
				370
Debtors: Amounts falling due after more than one year		12		

	- deferred tax asset		102
	- other		42
			144
Cash and liquid resources:			
	- current asset investments		173
	- cash at bank and in hand		474
			647
			1,536
Creditors: Amounts falling due within one year		13	(1,170)
Net current assets			366
Total assets less current liabilities			1,194
Creditors: Amounts falling due after more than one year			
	- long-term borrowings	14	(1,076)
	- accruals and deferred income	14	(28)
			(1,104)
Provisions for liabilities and charges			-
			90
Capital and reserves - equity			
Called-up share capital		15	971
Share premium		15	1,437
Shares to be issued		15	-
ESOP reserve		15	(30)
Merger reserve		15	222
Special reserve		15	14
Profit and loss account		15	(2,524)
Shareholders' funds (deficit)		15	90

*The balance sheet as at 30 June 2003 has been restated following the adoption of UITF 38.
The accompanying notes are an integral part of this consolidated balance sheet.

Consolidated Cash Flow Statement for the year ended 30 June 2004

	Notes	
		(aud
Net cash inflow from operating activities	16a	

Dividends received from joint ventures	
Returns on investments and servicing of finance	
Interest received and similar income	
Interest paid and similar charges	
Interest element of finance lease payments	
Net cash outflow from returns on investments and servicing of finance	
Taxation	
UK corporation tax paid	
Consortium relief paid	
Net cash outflow from taxation	
Capital expenditure and financial investment	
Payments to acquire tangible fixed assets	
Receipts from sales of fixed asset investments	
Net cash outflow from capital expenditure and financial investment	
Acquisitions and disposals	
Funding to joint ventures and associates	
Repayments of funding from joint ventures and associates	
Net cash inflow (outflow) from acquisitions and disposals	
Equity dividends paid	
Net cash inflow before management of liquid resources and financing	
Management of liquid resources	16c
Financing	
Proceeds from issue of Ordinary Shares	
Purchase of own shares for ESOP	
Capital element of finance lease payments	16b
Net decrease in debt due after more than one year	16b
Net cash outflow from financing	
Increase (decrease) in cash	16c
Decrease in net debt	16c

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

British Sky Broadcasting Group plc

Notes

1. Turnover

	2004 GBPm (audited)
Direct-to-home subscribers	2,660
Cable subscribers	215
Advertising	312
Interactive	307
Other	162
	3,656

2. Operating expenses, net

	Before goodwill and exceptional items GBPm (audited)	Goodwill and exceptional items GBPm (audited)	2004 Total GBPm (audited)	Before goodwill and exceptional items as restated GBPm (audited)	Go excep (au
Programming (i)	1,711	-	1,711	1,604	
Transmission and related functions(i)	146	-	146	143	
Marketing	396	-	396	400	
Subscriber management	371	-	371	324	
Administration	257	119	376	243	
Betting	175	-	175	108	
	3,056	119	3,175	2,822	

(i) The amounts shown are net of GBP11 million (2003: GBP12 million) receivable from the disposal of programming rights not acquired for use by the Group, and GBP28 million (2003: GBP26 million) in respect of the provision to third party broadcasters of spare transponder capacity.

3. Share of joint ventures' and associates' operating results

Goodwill

A credit of GBP11 million arose on the write back of negative goodwill which had arisen on the acquisition of an additional 16.7% stake in Attheraces Holdings Limited in April 2004, taking the Group's stake in Attheraces to 50%. The remaining net GBP1 million charge relates to amortisation of goodwill arising on the acquisition of certain joint ventures and associates.

4. Exceptional items

	Credit before taxation GBPm (audited)	Taxation (charge) credit GPBm (audited)	2004 Total GBPm (audited)	Credit (charge) taxation GBPm (audited)
Release of provision against ITV Digital programming debtors (iii)	-	-	-	5
Exceptional operating items	-	-	-	5
Profit on disposal of fixed asset investments (i)	51	-	51	-
Amounts written back to (written off) fixed asset investments, net (ii),(iv)	24	-	24	(15)
Recognition of deferred tax asset (v)	-	-	-	-
Total exceptional items	75	-	75	(10)

2004

Other exceptional items
(i) Profit on disposal of fixed asset investments

On 1 March 2004, the Group sold its 20% shareholding in QVC (UK), operator of QVC - The Shopping Channel, for GBP49 million in cash, realising a profit on disposal of GBP49 million. The profit on disposal is a non-operating exceptional item as defined by FRS 3 "Reporting Financial Performance" ("FRS 3") and is therefore recorded as an exceptional item below operating profit.

On 7 October 2003, the Group disposed of its listed investment in Manchester United plc, realising a profit on disposal of GBP2 million. The profit on disposal is a non-operating exceptional item as defined by FRS 3 and is therefore recorded as an exceptional item below operating profit.

(ii) Amounts written back to (written off) fixed asset investments, net

The Group reduced its provision against its minority equity investments in football clubs by GBP33 million, due to the disposal of its investment in Manchester United plc in October 2003 for GBP62 million in cash. The Group also increased its provision against its remaining minority equity investments in football clubs by a further GBP9 million. The reduction of GBP33 million in the provision is recorded as an exceptional item below operating profit as it relates directly to the disposal of the investment as detailed above. The increase of GBP9 million in the remaining provision is recorded as an exceptional item below operating profit due to the distortion that its inclusion within operating expenses would have on the individual operating expenses line item to which it was attributed.

2003

Exceptional operating items
(iii) ITV Digital

The Group provided in full against all unprovided balances owed by ITV Digital, following the announcement by the joint administrators of ITV Digital on 30 April 2002 of the closure of pay television services on the platform and their intention to close the administration. During 2003, the Group received GBP5 million from ITV Digital's administrators and released GBP5 million of its exceptional operating provision accordingly. The reduction is recorded as an exceptional item within operating profit due to the distortion that its inclusion within operating expenses would have on the individual operating expenses line item to which it was attributed.

Other exceptional items
(iv) Amounts written off fixed asset investments, net

At 31 December 2002, the Group made a further provision against its minority investments in football clubs, leading to a non-cash exceptional charge of GBP21 million. Subsequently, the Group reduced its provision against its investment in Chelsea Village plc at 30 June 2003 by GBP3 million, following the agreement to sell its minority investment in July 2003. The reduction is recorded as an exceptional item within operating profit due to the distortion that its inclusion within operating expenses would have on the individual operating expenses line item to which it was attributed.

At 31 December 2002, the Group reduced its deferred revenue balance relating to minority investments in new media companies by GBP5 million, and reduced both its investment and its provision against the investment in these companies accordingly. The reduction is recorded as an exceptional item below operating profit due to the distortion that its inclusion within operating expenses would have on the individual operating expenses line item to which it was attributed.

At 31 December 2002, the Group made a provision against its investment in Open TV shares, leading to a non-cash exceptional charge of GBP3 million, bringing the carrying value of the Group's investment in Open TV to nil. During February and March 2003, the Group disposed of its entire investment in Open TV shares, leading to a nil profit or loss on disposal. The provision is recorded as an exceptional item below operating profit due to the distortion that its inclusion within operating expenses would have on the individual operating expenses line item to which it was attributed.

(v) Recognition of deferred tax asset

At 30 June 2003, following a review of the forecast utilisation of tax losses within the Group, and as a consequence of a planned reorganisation of certain assets within the Group, there was sufficient evidence to support the recognition of a deferred tax asset arising on losses incurred in the Company. Accordingly, a deferred tax credit of GBP123 million was recognised as an exceptional item. The credit is recorded as an exceptional item due to the distortion that its inclusion within taxation would have on that line item.

5. Interest

(a) Interest receivable and similar income

(au

Group

Interest receivable on cash and liquid resources

Other interest receivable and similar income

Joint ventures and associates

Share of joint ventures' and associates' interest receivable

Total interest receivable and similar income

(b) Interest payable and similar charges

(au

Group
On bank loans, overdrafts and other loans repayable within five years, not by instalments:

- GBP200 million revolving credit facility ("RCF") (i)

- GBP750 million RCF (ii)

- GBP600 million RCF (ii)

US$650 million of 8.200% Guaranteed Notes, repayable in 2009

GBP100 million of 7.750% Guaranteed Notes, repayable in 2009

US$600 million of 6.875% Guaranteed Notes, repayable in 2009

US$300 million of 7.300% Guaranteed Notes, repayable in 2006

Finance lease interest

Other interest payable and similar charges

Joint ventures and associates

Share of joint ventures' and associates' interest payable

Total interest payable and similar charges

(i) In March 2003, the Group voluntarily cancelled GBP100 million of its GBP300 million RCF. The remaining GBP200 million RCF expired without being renewed on 29 June 2004.

(ii) In March 2003, the Group entered into a GBP600 million RCF. This facility was used to cancel the previous GBP750 million RCF, which was entered into in July 1999. The facility is available for general corporate purposes, but was undrawn at 30 June 2004. It is due to expire in March 2008.

6. Taxation

	Tax charge (credit) on profit before exceptional items GBPm (audited)	Exceptional tax charge (credit) GBPm (audited)	2004 Total GBPm (audited)	Tax charge (credit) on profit before exceptional items as restated GBPm (audited)	Exc tax (
Current tax					
UK corporation tax	127	-	127	85	
Adjustment in respect of prior years	(8)	-	(8)	-	
Total current tax charge	119	-	119	85	
Deferred tax					
Origination and reversal of timing differences	34	-	34	(26)	
Increase (decrease) in estimate of recoverable deferred tax asset in respect of prior years	5	-	5	(2)	
Total deferred tax charge (credit)	39	-	39	(28)	
Share of joint ventures' and associates' tax charge	-	-	-	2	
	158	-	158	59	

All taxation relates to UK corporation tax.

7. Equity dividends

(a

Interim dividend paid of 2.75p (2003: nil) per Ordinary Share
Final dividend proposed of 3.25p (2003: nil) per Ordinary Share

The ESOP has waived its rights to dividends.

8. Intangible fixed assets

The movement in the year was as follows:

Net book value at 1 July 2003 (i)	
Amortisation charge (ii)	
Net book value at 30 June 2004	

(i) Goodwill of GBP272 million, GBP543 million and GBP5 million, arising on the acquisitions of Sports Internet Group ("SIG"), British Interactive Broadcasting ("BiB") and WAPTV respectively, is being amortised over periods of seven years on a straight-line basis.

In accordance with FRS 11, impairment reviews were performed on the carrying values of BiB and SIG goodwill balances at the end of the first full financial year after acquisition, at 30 June 2002, which did not indicate impairment. Consistent with Group strategy, the business plans on which these reviews were based reflect significant projected increases in betting and other interactive revenues over the subsequent five years. The Group continues to monitor the performance of these businesses and is satisfied that no impairment of goodwill has occurred.

(ii) At 30 June 2004, the Group made a provision of GBP3 million, included within amortisation, against goodwill which arose on the acquisition of Planetfootball.com Limited (a company which provides website services to the sports industry), reducing the carrying value to nil. The provision was made as a result of an impairment review which showed that the expected future cash flows of the business would not support a carrying value for the goodwill.

9. Tangible fixed assets

The movement in the year was as follows:

	Freehold land and buildings GBPm (audited)	Short leasehold improvements GBPm (audited)	Equipment, fixtures and fittings GBPm (audited)	Asset cours construc (audi
Net book value as at 1 July 2003	36	35	246	
Additions	-	-	61	
Disposals	-	-	(1)	
Depreciation	(1)	(3)	(98)	
Net book value as at 30 June 2004	35	32	208	

10. Fixed asset investments

(audi

Investments in joint ventures and associates
Other investments
Total fixed asset investments

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11. Stocks

	(aud
Television programme rights	
Set-top boxes and related equipment	
Raw materials and consumables	
Other goods held for resale	

At least 87% (2003: 79%) of the existing television programme rights at 30 June 2004 will be amortised within one year.

12. Debtors

	200 GBP (audited
Amounts falling due within one year	
Trade debtors	16
Amounts owed by joint ventures and associates	
Amounts owed by other related parties	
Other debtors	
Prepaid programme rights	3
Prepaid transponder rentals	1
Advance corporation tax	
Deferred tax asset	4
Other prepayments and accrued income	9
	37
Amounts falling due after more than one year	
Prepaid programme rights	
Prepaid transponder rentals	3
Deferred tax asset	10
Other prepayments and accrued income	
	14

13. Creditors: Amounts falling due within one year

	200 GBP (audited
Trade creditors	39
Amounts due to joint ventures and associates	
Amounts due to related parties	4
UK corporation tax	4
VAT	9
Social security and PAYE	
Proposed dividend	6
Defined contribution pension scheme creditor	
Other creditors	6
Accruals and deferred income	46
	1,17

Included within trade creditors are GBP250 million (2002: GBP226 million) of US dollar-denominated programme creditors. At least 80% (2003: 90%) of these were covered by forward rate currency contracts.

14. Creditors: Amounts falling due after more than one year

	20 GB (audite
Long-term borrowings	
GBP600 million RCF	
US$650 million of 8.200% Guaranteed Notes, repayable in 2009	4
GBP100 million of 7.750% Guaranteed Notes, repayable in 2009	1
US$600 million of 6.875% Guaranteed Notes, repayable in 2009	3
US$300 million of 7.300% Guaranteed Notes, repayable in 2006	1
Obligations under finance leases	
	1,0
Other	
Accruals and deferred income	
	1,1

In March 2003, the Group entered into a GBP600 million RCF. This facility was used to cancel a GBP750 million RCF, which had been agreed in July 1999, and can be used for general corporate purposes. The GBP600 million facility has a maturity date of March 2008, and interest accrues at a margin of between 0.600% and 1.125% above the London Inter-Bank Offer Rate ("LIBOR"), dependent on the Group's Net debt:EBITDA leverage ratio (as defined in the loan agreement). Until June 2004, the margin was fixed at 1.125%, and shall not fall below 0.700% per annum above LIBOR prior to March 2006.

Also in March 2003, the Group voluntarily cancelled GBP100 million of the GBP300 million March 2001 RCF. The remaining GBP200 million RCF expired without being renewed on 29 June 2004.

15. Reconciliation of movement in shareholders' funds

Movement in shareholders' funds includes all movements in reserves.

	Share capital GBPm (audited)	Share premium GBPm (audited)	Shares to be issued GBPm (audited)	ESOP reserve GBPm (audited)	Merger reserve GBPm (audited)	Special reserve GBPm (audited)	a (
At 1 July 2003 - as previously stated	969	2,536	3	-	299	-	
Prior year adjustment	-	-	-	(35)	-	-	
At 1 July 2003 as restated	969	2,536	3	(35)	299	-	
Issue of share capital	2	21	(3)	-	-	-	
ESOP shares utilised	-	-	-	27	-	-	
ESOP shares purchased	-	-	-	(22)	-	-	
Profit for the financial year	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	
Share premium reduction		(1,120)	-	-	-	14	
Transfer from merger reserve	-	-	-	-	(77)	-	
At 30 June 2004	971	1,437	-	(30)	222	14	

Share premium reduction
On 10 December 2003, the High Court approved a reduction in the Company's share premium account of GBP1,120 million, as approved by the Company's shareholders at the Annual General Meeting held on 14 November 2003. The reduction had the effect of eliminating the Company's deficit on its profit and loss account as at 30 September 2003 of GBP1,106 million, and creating a non-distributable special reserve of GBP14 million, which represents the excess of the share premium reduction over the deficit.

Share option schemes
During the period the Company issued shares with a market value of GBP26 million (2003: GBP6 million) in respect of the exercise of options awarded under various share option schemes, with GBP20 million (2003: GBP5 million) received from employees.

At 30 June 2004, the Group's ESOP held 4,747,515 Ordinary Shares in the Company at an average value of GBP6.25 per share. The 4,339,497 shares utilised during the period relate to the exercise of LTIP, KCP and Executive Share Option Scheme awards. As a result of the adoption of UITF 38, the Group's ESOP shares, which were previously held within investments, are now presented as a deduction from shareholders' funds. In addition, the brought forward profit and loss reserve at 1 July 2003 was reduced by GBP12 million. The impact of adopting UITF 38 was accordingly to reduce net assets at 1 July 2003 by GBP47 million, and to reduce profit for the year to 30 June 2003 by GBP6 million.

16. Notes to consolidated cash flow statement

(a) Reconciliation of operating profit to operating cash flows

	Before goodwill and exceptional items GBPm (audited)	Goodwill and exceptional items GBPm (audited)	2004 Total GBPm (audited)	Before goodwill and exceptional items as restated GBPm (audited)
Operating profit	600	(119)	481	364
Depreciation	102	-	102	98
Amortisation of goodwill and other intangible fixed assets	-	119	119	-
Loss on disposal of fixed assets	1	-	1	-
(Increase) decrease in stock	(5)	-	(5)	44
Decrease in debtors	17	-	17	88
Increase in creditors	170	-	170	66
Decrease in provision	(3)	-	(3)	(1)
Net cash inflow from operating activities	882	-	882	659

(b) Analysis of changes in net debt

	At 1 July 2003 GBPm (audited)
Overnight deposits	33
Other cash	14
	47
Short-term deposits	-
Commercial paper	-
Cash and liquid resources	47
Debt due after more than one year	(1,144)
Capital element of finance leases	(8)
Total debt and capital element of finance leases	(1,152)
Total net debt	(1,105)

(c) Reconciliation of net cash flow to movement in net debt

(

Increase (decrease) in cash
Increase (decrease) in short-term deposits
Increase in commercial paper
Cash outflow resulting from decrease in debt and lease financing
Decrease in net debt

Net debt at beginning of year
Net debt at end of year

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16. Notes to consolidated cash flow statement (continued)

(d) Major non-cash transactions

2004
Share premium reduction
On 10 December 2003, the High Court approved a reduction in the Company's share premium account of GBP1,120 million, as approved by the Company's shareholders at the Annual General Meeting held on 14 November 2003. The reduction had the effect of eliminating the Company's deficit on its profit and loss account as at 30 September 2003 of GBP1,106 million, and creating a non-distributable special reserve of GBP14 million, which represents the excess of the share premium reduction over the deficit.

WAPTV
On 30 September 2003, the Company issued 338,755 (2003: 169,375) Ordinary Shares to satisfy the remaining contingent consideration in respect of the acquisition of the remaining 5% interest in WAPTV Limited which occurred in May 2001.

2003
Issue of shares - deferred consideration for BiB
On 11 November 2002, the Company issued 43.2 million shares with a fair value of GBP253 million to HSBC, Matsushita and BT in respect of deferred consideration for the acquisition of the remaining 67.5% of BiB in May and June 2001.

17. Post balance sheet events

Potential legal claim
The Group anticipates issuing and serving a claim in the near future for a material amount against an information and technology solutions provider, which had provided services to the Group as part of the Group's investment in Customer Relationship Management ("CRM") software and infrastructure. The amount that will be recovered by the Group will not be finally determined until resolution of the claim.

Capital investment programme
The Group intends to invest an additional approximately GBP450 million on capital expenditure over the four years to 30 June 2008, in order to support its long-term growth. This is in addition to ongoing core maintenance capital expenditure which is expected to remain at about GBP100 million per annum over the same period. The additional expenditure will principally relate to enhancement of Sky's Osterley campus, a new call centre and training facility, and continuation of the current CRM and Advanced Technology Centre projects.

18. Basis of presentation

The Consolidated Profit and Loss Account presentation includes the Group's results before goodwill and exceptional items in addition to results after goodwill and exceptional items as this presentation provides an alternative basis that may be used to assess the ongoing operating performance of the Group.

This financial information does not constitute statutory accounts for the purpose of section 240 of the Companies Act 1985. The financial information for the year ended 30 June 2004 has been extracted from the statutory accounts of British Sky Broadcasting Group plc for the year ended 30 June 2004, which have not yet been filed with the Registrar of Companies, but on which the auditors gave an unqualified report, and which did not contain a statement under section 237 (2) or (3) of the Companies Act 1985, on 3 August 2004. The preliminary announcement was approved by the Board of Directors on 3 August 2004.

The financial information for the three months ended 30 June 2004 and 30 June 2003 is unaudited.

The financial information for the year ended 30 June 2003 has been extracted from the statutory accounts of British Sky Broadcasting Group plc for the year ended 30 June 2003, with the exception of the restatement arising from the change in accounting policy described above. The statutory accounts on which the auditors gave an unqualified report and which did not contain a statement under section 237 (2) or (3) of the Companies Act 1985, have been filed with the registrar of Companies.

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: 4 August 2004

By: /s/ Dave Gormley
Dave Gormley
Company Secretary