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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