

Company Registration No. 01529998 (England and Wales)

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

ANNUAL REPORT

FOR THE YEAR ENDED 24 MARCH 2014

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SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

DIRECTORS AND ADVISERS

Directors	J Rose M L A Rose N Rose
Secretary	A Quazi E Robson M Rose
Company number	01529998
Registered office	25 Harley Street London W1G 9BR
Registered auditors	Gerald Edelman 25 Harley Street London W1G 9BR
Business address	28 Crawford Street London W1H 1LN

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

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SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

STRATEGIC REPORT

FOR THE YEAR ENDED 24 MARCH 2014

The directors present their report and financial statements for the year ended 24 March 2014.

Review of the business

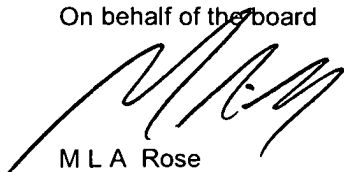
The directors consider that the results are satisfactory and expect further suitable progress.

The Group's turnover decreased from £492,857 to £480,916. The operating profit decreased from £243,390 to £229,317. Profit before tax increased from £367,957 to £382,691.

The directors believe that analyses using key performance indicators at the group level (financial and non-financial) is not necessary or appropriate for an understanding of the development, performance or position of the group.

The financial statements on pages 6 to 20 set out the consolidated results for the year ended 24 March 2014 and reflect the state of the company's and group's affairs at that date.

On behalf of the board



M L A Rose

Director

23 September 2014

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 24 MARCH 2014

The directors present their report and the audited consolidated financial statements for the year ended 24 March 2014.

Directors

The following directors have held office since 25 March 2013:

J Rose

M L A Rose

N Rose

Principal activities and review of the business

The principal activity of the group is property investment, dealing and development.

Results and dividends

The financial statements on pages 6 to 20 set out the consolidated results for the year ended 24 March 2014 and reflect the state of the company's and group's affairs as at that date.

The directors declared and paid interim dividends of £158,000 (2013: £152,000) during the year.

Fixed assets

The directors have reviewed the open market values of the investment properties at 24 March 2014 and they consider them to have a value in excess of cost, but the cost of a professional valuation is not justified.

Future developments

The directors intend to continue the development of the group's activities. The directors will pursue their established management policies and it is anticipated that there will be an effective response to the challenges of the coming year. Ongoing projects in the year ended 24 March 2014 have progressed and the group's results will reflect this in the coming years.

Creditor payment policy

The group's operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is the group's policy that payments to suppliers are made in accordance with those terms provided that suppliers also comply with all relevant terms and conditions. Details of the number of days' purchases represented by year end trade creditors are not given as there were no company nor group trade creditors at 24 March 2014.

Going concern

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements for the year ended 24 March 2014.

Auditors

In accordance with the company's articles, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put at a General Meeting.

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

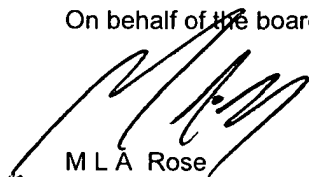
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



M L A Rose

Director

23 September 2014

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

We have audited the group and parent company financial statements (the "financial statements") of Sky Group of Companies PLC and its subsidiaries for the year ended 24 March 2014 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

Qualified opinion arising from the limitation of audit scope

The company's investment properties have not been revalued at the year end date as required by the Statement of Standard Accounting Practice No. 19. We have not been able to obtain independent information to enable us to quantify the effect of this non-compliance of the financial statements.

Except for the effects of any adjustments that would be necessary in stating the investment properties at open market value, in our opinion:

- give a true and fair view of the state of the group's and parent company's affairs as at 24 March 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to investment properties; described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.



Engin Zekia FCA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

23 September 2014

Chartered Accountants
Statutory Auditor

25 Harley Street
London
W1G 9BR

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 24 MARCH 2014

	Notes	2014 £	2013 £
Turnover	2	480,915	492,857
Cost of sales		(66,755)	(101,473)
Gross profit		414,160	391,384
Administrative expenses		(193,340)	(198,334)
Other operating income		8,497	50,880
Operating profit	3	229,317	243,930
Write off of investments		-	(200)
Profit on ordinary activities before interest		229,317	243,730
Income from interests in associated undertakings		142,991	56,610
Investment income	4	-	3,310
Other interest receivable and similar income		60,179	112,033
Interest payable and similar charges	5	(49,796)	(47,726)
Profit on ordinary activities before taxation		382,691	367,957
Tax on profit on ordinary activities	6	(53,043)	(46,413)
Profit on ordinary activities after taxation		329,648	321,544
Minority interests		(12,142)	(10,461)
Profit for the financial year		317,506	311,083

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

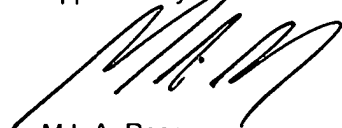
SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT 24 MARCH 2014

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
Fixed assets					
Tangible assets	9	3,153,324	3,153,594	1,532	1,802
Investments	10	1,215,366	1,159,875	114	114
		<u>4,368,690</u>	<u>4,313,469</u>	<u>1,646</u>	<u>1,916</u>
Current assets					
Stocks	11	531,749	531,749	-	-
Debtors	12	539,918	278,079	2,912,866	2,761,796
Cash at bank and in hand		337,403	546,477	214,098	454,658
		<u>1,409,070</u>	<u>1,356,305</u>	<u>3,126,964</u>	<u>3,216,454</u>
Creditors: amounts falling due within one year	13	(1,202,761)	(1,238,664)	(1,079,800)	(1,163,003)
Net current assets		<u>206,309</u>	<u>117,641</u>	<u>2,047,164</u>	<u>2,053,451</u>
Total assets less current liabilities		<u>4,574,999</u>	<u>4,431,110</u>	<u>2,048,810</u>	<u>2,055,367</u>
Creditors: amounts falling due after more than one year	14	(567,137)	(582,137)	-	-
		<u>4,007,862</u>	<u>3,848,973</u>	<u>2,048,810</u>	<u>2,055,367</u>
Capital and reserves					
Called up share capital	15	100,000	100,000	100,000	100,000
Other reserves	16	896,993	896,993	-	-
Profit and loss account	16	3,006,296	2,846,790	1,948,810	1,955,367
Shareholders' funds	18	<u>4,003,289</u>	<u>3,843,783</u>	<u>2,048,810</u>	<u>2,055,367</u>
Minority interests	17	<u>4,573</u>	<u>5,190</u>	<u>-</u>	<u>-</u>
		<u>4,007,862</u>	<u>3,848,973</u>	<u>2,048,810</u>	<u>2,055,367</u>

Approved by the Board and authorised for issue on 23 September 2014



M L A Rose
Director

Company Registration No. 01529998

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 24 MARCH 2014

	Note	£	2014 £	£	2013 £
Net cash (outflow)/inflow from operating activities	22		(15,510)		92,654
Returns on investments and servicing of finance					
Interest received		1,417		20,190	
Interest paid		(49,796)		(47,726)	
Dividends received from participating interests		87,500		43,750	
Dividends paid to minorities		(12,759)		(13,950)	
Net cash outflow for returns on investments and servicing of finance			26,362		2,264
Taxation			(46,926)		(28,904)
Equity dividends paid			(158,000)		(152,286)
Net cash (outflow)/inflow before management of liquid resources and financing			(194,074)		(86,272)
Management of liquid resources					
Current asset investments		-		100,000	
			-		100,000
Financing					
New long term bank loan		13,886		-	
Other new long term loans		-		(28,787)	
Repayment of long term bank loan		(28,886)		-	
Repayment of other short term loans		-		(50,000)	
Net cash outflow from financing			(15,000)		(78,787)
Decrease in cash in the year	23, 24		(209,074)		(65,059)

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 24 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 24 March 2014. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

In accordance with Section 408 of the Companies Act 2006, a separate profit and loss account for the parent company is not presented with these financial statements.

The group's interest in joint arrangement has been included in the financial statements on the basis of the group's share of assets and liabilities in the joint arrangements in accordance with Financial Reporting Standard No. 9: Associates and Joint Ventures.

1.4 Associated undertakings

An entity is treated as an associated undertaking where the group has a participating interest and exercises significant influence over its operating and financial policy decisions.

In the group accounts, interests in associated undertakings are accounted for using the equity method of accounting. The consolidated profit and loss account includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings based on audited financial statements. In the consolidated balance sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition. The consolidated financial statements for the year include the relevant share of the results of associated undertakings for the period to 31 December 2013, being the last available accounts.

1.5 Turnover

Turnover comprises amounts receivable on completion of sale of trading properties, from rents and service charge receivable net of Value Added Tax.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	15% reducing balance method
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SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2014

1 Accounting policies

(continued)

1.7 Investments properties

I) Investment properties are included in the financial statements at cost. The Directors have not applied the requirements of SSAP 19 "Accounting for Investment Properties" on the grounds that the cost of obtaining an external valuation outweighs the benefit to the shareholders

II) No depreciation is provided in respect of the investment properties. The directors consider that the accounting policy, which is a departure from the accounting requirements of the Companies Act 2006 is necessary to ensure that the financial statements show a true and fair view.

1.8 Stock

Stock consists of trading properties and is valued at the lower of cost and net realisable value.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Recognition of deferred tax asset is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. The company has not adopted a policy of discounting deferred tax assets and liabilities.

Investment properties are held as long term investments and there is no intention to dispose of them. Therefore, no provision is made for the potential liability to taxation which would result in the event of realisation of the properties at the amounts at which they are stated in the financial statements.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	270	316
Group auditors' remuneration		
- Audit fees - company	7,000	7,000
- Audit fees - subsidiaries	9,000	4,700
- Accounting/ tax preparation fees	12,418	19,164
Other auditors' remuneration		
- Audit fees subsidiaries	3,060	3,060

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 24 MARCH 2014

4	Investment income	2014	2013
		£	£
	Income from fixed asset investments	-	3,310
5	Interest payable	2014	2013
		£	£
	Other interest	36,044	36,404
	Bank interest	13,752	11,322
		49,796	47,726
6	Taxation	2014	2013
		£	£
	Domestic current year tax		
	U.K. corporation tax	54,051	47,935
	Adjustment for prior years	(1,008)	(1,522)
	Total current tax	53,043	46,413
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	382,691	367,957
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 24.00%)	88,019	88,310
	Effects of:		
	Non deductible expenses	2,380	1,810
	Depreciation add back	62	76
	Capital allowances	(247)	(301)
	Adjustments to previous periods	(1,008)	(1,522)
	Other tax adjustments	(36,163)	(41,960)
		(34,976)	(41,897)
	Current tax charge for the year	53,043	46,413

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 24 MARCH 2014

7 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2014 £	2013 £
Holding company's profit for the financial year	<u>151,443</u>	<u>393,095</u>

8 Dividends

	2014 £	2013 £
Ordinary interim paid	<u>158,000</u>	<u>152,000</u>

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2014

9 Tangible fixed assets

Group

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Total £
Cost			
At 25 March 2013 & at 24 March 2014	3,151,792	41,650	3,193,442
Depreciation			
At 25 March 2013	-	39,848	39,848
Charge for the year	-	270	270
At 24 March 2014	-	40,118	40,118
Net book value			
At 24 March 2014	3,151,792	1,532	3,153,324
At 24 March 2013	3,151,792	1,802	3,153,594

Tangible fixed assets

Company

	Fixtures, fittings & equipment £
Cost	
At 25 March 2013 & at 24 March 2014	41,650
Depreciation	
At 25 March 2013	39,848
Charge for the year	270
At 24 March 2014	40,118
Net book value	
At 24 March 2014	1,532
At 24 March 2013	1,802

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2014

10 Fixed asset investments Group

	Shares in participating interests £	Total £
Cost		
At 25 March 2013	1,159,875	1,159,875
Additions	142,991	142,991
Dividends received	(87,500)	(87,500)
	<u>1,215,366</u>	<u>1,215,366</u>
At 24 March 2014	1,215,366	1,215,366
Net book value		
At 24 March 2014	<u>1,215,366</u>	<u>1,215,366</u>
At 24 March 2013	<u>1,159,875</u>	<u>1,159,875</u>

Company

	Shares in group undertakings £
Cost	
At 25 March 2013 & at 24 March 2014	<u>114</u>
Net book value	
At 24 March 2014	<u>114</u>
At 24 March 2013	<u>114</u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Sky Properties Limited	England & Wales	Ordinary	100
Sky Invest Limited	England & Wales	Ordinary	100
Actvale Limited	England & Wales	Ordinary	67

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2014

10 Fixed asset investments (continued)

Participating interests

Riverview Holdings Limited	England & Wales	Ordinary B	38
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Other significant interests

Lloyds Wharf	England & Wales	70
Lordship Lane	England & Wales	50
Northcote Road	England & Wales	50

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Sky Properties Limited	Property dealing
Sky Invest Limited	Property investment
Actvale Limited	Property investment
Riverview Holdings Limited	Property investment

11 Stocks

	Group 2014 £	2013 £	Company 2014 £	2013 £
Trading properties	531,749	531,749	-	-

12 Debtors

	Group 2014 £	2013 £	Company 2014 £	2013 £
Trade debtors	2,967	500	500	500
Amounts owed by group undertakings	-	-	2,421,937	2,529,283
Other debtors	461,654	260,580	416,268	216,576
Prepayments and accrued income	75,297	16,999	74,161	15,437
	539,918	278,079	2,912,866	2,761,796

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2014

13 Creditors : amounts falling due within one year

	Group 2014 £	2013 £	Company 2014 £	2013 £
Bank loans	15,000	15,000	-	-
Other loans	1,030,000	1,030,000	1,030,000	1,030,000
Amounts owed to group undertakings	-	-	-	41,712
Corporation tax	54,051	47,934	29,386	23,979
Taxes and social security costs	23,167	44,671	2,101	27,098
Other creditors	16,484	37,193	2,062	22,790
Accruals and deferred income	64,059	63,866	16,251	17,424
	<u>1,202,761</u>	<u>1,238,664</u>	<u>1,079,800</u>	<u>1,163,003</u>

The bank loan is secured by way of a legal charge over one of the group's investment properties.

14 Creditors : amounts falling due after more than one year

	Group 2014 £	2013 £	Company 2014 £	2013 £
Bank loans	291,250	306,250	-	-
Other loans	275,887	275,887	-	-
	<u>567,137</u>	<u>582,137</u>	<u>-</u>	<u>-</u>
Analysis of loans				
Wholly repayable within five years	1,612,137	1,627,137	1,030,000	1,030,000
Included in current liabilities	(1,045,000)	(1,045,000)	(1,030,000)	(1,030,000)
	<u>567,137</u>	<u>582,137</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
In more than one year but not more than two years	<u>567,137</u>	<u>582,137</u>	<u>-</u>	<u>-</u>

The bank loan is secured by way of a legal charge over one of the group's investment properties.

15 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2014

16 Statement of movements on reserves

Group

	Other reserves (see below) £	Profit and loss account £
Balance at 25 March 2013	896,993	2,846,790
Profit for the year	-	317,506
Dividends paid	-	(158,000)
Balance at 24 March 2014	<u>896,993</u>	<u>3,006,296</u>

Other reserves

Balance at 25 March 2013 & at 24 March 2014	<u>896,993</u>
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Company

	Profit and loss account £
Balance at 25 March 2013	1,955,367
Profit for the year	151,443
Dividends paid	(158,000)
Balance at 24 March 2014	<u>1,948,810</u>

17 Minority interests

	2014 £	2013 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	5,190	8,679
Dividends paid to minority interest	(12,759)	(13,950)
Minority interests' share of profits during the year	<u>12,142</u>	<u>10,461</u>
	<u>4,573</u>	<u>5,190</u>

The minority interest represents 33.3% of the net assets of Actvale Limited at 24 March 2014. The minority shares in that company are owned by Dunstone Properties Limited.

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2014

18 Reconciliation of movements in shareholders' funds	2014	2013
Group	£	£
Profit for the financial year	317,506	311,083
Dividends	(158,000)	(152,286)
	<u>159,506</u>	<u>158,797</u>
Net addition to shareholders' funds	159,506	158,797
Opening shareholders' funds	3,843,783	3,684,986
Closing shareholders' funds	<u>4,003,289</u>	<u>3,843,783</u>

Company	2014	2013
	£	£
Profit for the financial year	151,443	393,095
Dividends	(158,000)	(152,000)
Net (depletion in)/addition to shareholders' funds	(6,557)	241,095
Opening shareholders' funds	2,055,367	1,814,272
Closing shareholders' funds	<u>2,048,810</u>	<u>2,055,367</u>

19 Directors' remuneration	2014	2013
	£	£
Remuneration for qualifying services	<u>90,392</u>	<u>90,000</u>

20 Employees

Number of employees

There were no employees during the year apart from the directors

Employment costs	2014	2013
	£	£
Wages and salaries	90,392	90,000
Social security costs	12,132	11,982
	<u>102,524</u>	<u>101,982</u>

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 24 MARCH 2014

21 Control

The company was under the control of its directors during the year.

22 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2014	2013
	£	£
Operating profit	229,317	243,930
Depreciation of tangible assets	270	316
Decrease in stocks	-	20,501
(Increase)/decrease in debtors	(203,077)	(220,655)
(Decrease)/increase in creditors within one year	(42,020)	48,562
Net cash (outflow)/inflow from operating activities	(15,510)	92,654

23 Analysis of net debt	25 March 2013	Cash flow	Other non- 24 March 2014 cash changes
	£	£	£
Net cash:			
Cash at bank and in hand	546,477	(209,074)	-
Debts falling due within one year	(1,045,000)	-	-
Debts falling due after one year	(582,137)	15,000	-
Net debt	(1,080,660)	(194,074)	(1,274,734)

24 Reconciliation of net cash flow to movement in net debt	2014	2013
	£	£
Decrease in cash in the year	(209,074)	(65,059)
Cash (outflow)/inflow from (increase)/decrease in liquid resources	-	(100,000)
Cash outflow from decrease in debt	15,000	78,787
Movement in net debt in the year	(194,074)	(86,272)
Opening net debt	(1,080,660)	(994,388)
Closing net debt	(1,274,734)	(1,080,660)

SKY GROUP OF COMPANIES PLC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2014

25 Related party relationships and transactions

Group

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that all transactions were undertaken with wholly owned companies within the group.

Included in creditors due within one year are amounts of £1,030,000 (2013: £1,030,000) due to P.E .Rose B settlement. Interest of £36,044 (2013: £36,404) was paid on the balance. Both M L A Rose and J Rose are beneficiaries of the settlement.

The company was charged management fees of £4,000 (2013: £4,000) by P.E Rose B settlement during the year.