

Company registration number 01529998 (England and Wales)

SKY GROUP OF COMPANIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 24 MARCH 2023

SKY GROUP OF COMPANIES PLC

COMPANY INFORMATION

Directors	J Rose M Rose A M Gershman
Secretary	E Robson
Company number	01529998
Registered office	73 Cornhill London EC3V 3QQ
Auditor	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ

SKY GROUP OF COMPANIES PLC

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SKY GROUP OF COMPANIES PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 24 MARCH 2023

The directors present the strategic report for the year ended 24 March 2023.

Review of business and key performance indicators

The directors consider the results for the year to be satisfactory.

The company's turnover is consistent with prior year at £302,000 (2022: £302,000). The operating profit decreased from £90,103 to £52,792. Profit before tax decreased from £114,783 to £54,747. The operating profit margin decreased from 30% to 18%.

Principal risks and uncertainties

The risk implications of business decisions affecting the company are considered by the directors. The directors assess these risks on a regular basis to ensure that any risks arising from changes in the company's operations to the external environment are identified and appropriately managed. The individual risks have been categorised into the following areas:

- taxation;
- economic climate;

Taxation risk

The company is exposed to financial risks from increases in tax rates and changes to the basis of taxation including corporation tax and VAT.

Economic climate

The directors have identified and evaluated risks and uncertainties and has controls in place to mitigate these. The company has limited exposure to the risks of the current economic climate that could lower the company's revenues and operating results in the future.

Development and performance

The financial statements on pages 7 to 22 set out the company's results for the year ended 24 March 2023 and reflect the state of the company's affairs at that date.

Financial instruments and risk management

The company does not have any complex financial instruments and the transactions are simple, therefore the company does not require the need to manage risk.

Promoting the success of the company

This section serves as our s172 statement and should be read in conjunction with the whole Strategic Report. s172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the company's employees and other stakeholders including the impact of its activities on the community, the environment and the company's reputation when making decisions. The Directors act in good faith and fairly between members and consider what is most likely to promote the success in the long term for all of its members.

Our principal stakeholders are engaged with on a regular basis. With regards to our shareholders this includes regular meetings and we engage in constant dialogue with our workforce and our suppliers.

On behalf of the board

M Rose
Director

27 September 2023

SKY GROUP OF COMPANIES PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 24 MARCH 2023

The directors present their annual report and financial statements for the year ended 24 March 2023.

Principal activities

The principal activity of the company continued to be that of investment holding company.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £224,000 (2022: £224,000). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Rose
M Rose
A M Gershman

Auditor

The auditor, Gerald Edelman LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 profit or loss of the company 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 company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 company's auditor is aware of that information.

SKY GROUP OF COMPANIES PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2023

Going concern

The financial statements have been prepared on the assumption that the company is a going concern.

Having reviewed the company's financial forecasts and expected future cash flows, the members 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 2023.

On behalf of the board

M Rose
Director

27 September 2023

SKY GROUP OF COMPANIES PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SKY GROUP OF COMPANIES PLC

Opinion

We have audited the financial statements of Sky Group of Companies PLC (the 'company') for the year ended 24 March 2023 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 24 March 2023 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

SKY GROUP OF COMPANIES PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SKY GROUP OF COMPANIES PLC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

The extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, employment law, data protection, anti-bribery and health and safety.

SKY GROUP OF COMPANIES PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SKY GROUP OF COMPANIES PLC

Audit response to risks identified

Fraud due to management override

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Audited the risk of management override of controls, including through testing journal entries for appropriateness.

Irregularities and non-compliance with laws and regulations

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation
- Enquiring of management as to actual and potential litigation claims.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance. Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 auditor's 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.

Engin Zekia FCA
Senior Statutory Auditor
For and on behalf of Gerald Edelman LLP

27 September 2023

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

SKY GROUP OF COMPANIES PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 24 MARCH 2023

		2023	2022
	Notes	£	£
Turnover	2	302,000	302,000
Administrative expenses		(249,208)	(227,835)
Other operating income		-	15,938
Operating profit	3	52,792	90,103
Interest receivable and similar income	8	32,513	49,180
Interest payable and similar expenses	7	(30,558)	(24,500)
Profit before taxation		54,747	114,783
Tax on profit	9	(22,739)	(5,847)
Profit for the financial year		<u>32,008</u>	<u>108,936</u>

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

SKY GROUP OF COMPANIES PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 24 MARCH 2023

	2023 £	2022 £
Profit for the year	32,008	108,936
Other comprehensive income	-	-
Total comprehensive income for the year	<u>32,008</u>	<u>108,936</u>

SKY GROUP OF COMPANIES PLC

BALANCE SHEET

AS AT 24 MARCH 2023

		2023	2022
	Notes	£	£
Fixed assets			
Tangible assets	11	354	417
Investments	12	114	114
		<u>468</u>	<u>531</u>
Current assets			
Debtors	14	1,251,761	1,586,024
Cash at bank and in hand		840,260	617,265
		<u>2,092,021</u>	<u>2,203,289</u>
Creditors: amounts falling due within one year	15	(872,788)	(792,127)
Net current assets		<u>1,219,233</u>	<u>1,411,162</u>
Net assets		<u>1,219,701</u>	<u>1,411,693</u>
Capital and reserves			
Called up share capital	17	100,000	100,000
Profit and loss reserves	18	1,119,701	1,311,693
Total equity		<u>1,219,701</u>	<u>1,411,693</u>

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023 and are signed on its behalf by:

M Rose
Director

Company registration number 01529998 (England and Wales)

SKY GROUP OF COMPANIES PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 24 MARCH 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 25 March 2021		100,000	1,426,757	1,526,757
Year ended 24 March 2022:				
Profit and total comprehensive income		-	108,936	108,936
Dividends	10	-	(224,000)	(224,000)
Balance at 24 March 2022		100,000	1,311,693	1,411,693
Year ended 24 March 2023:				
Profit and total comprehensive income		-	32,008	32,008
Dividends	10	-	(224,000)	(224,000)
Balance at 24 March 2023		100,000	1,119,701	1,219,701

SKY GROUP OF COMPANIES PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 24 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	22		540,915		(300,930)
Interest paid			(30,558)		(24,500)
Income taxes paid			(5,875)		-
Net cash inflow/(outflow) from operating activities			<u>504,482</u>		<u>(325,430)</u>
Investing activities					
Interest received		32,513		49,180	
Net cash generated from investing activities			<u>32,513</u>		<u>49,180</u>
Financing activities					
Repayment of borrowings		(90,000)		-	
Dividends paid		(224,000)		(224,000)	
Net cash used in financing activities			<u>(314,000)</u>		<u>(224,000)</u>
Net increase/(decrease) in cash and cash equivalents			<u>222,995</u>		<u>(500,250)</u>
Cash and cash equivalents at beginning of year			<u>617,265</u>		<u>1,117,515</u>
Cash and cash equivalents at end of year			<u><u>840,260</u></u>		<u><u>617,265</u></u>

SKY GROUP OF COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 24 MARCH 2023

1 Accounting policies

Company information

Sky Group of Companies PLC is a public company limited by shares incorporated in England and Wales. The registered office is 73 Cornhill, London, EC3V 3QQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for management services and is recognised in the period to which it relates.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	15% reducing balance basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

SKY GROUP OF COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2023

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

SKY GROUP OF COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2023

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

SKY GROUP OF COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2023

1 Accounting policies

(Continued)

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

SKY GROUP OF COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2023

2 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023 £	2022 £
Turnover analysed by class of business		
Management fees	302,000	302,000
	<u> </u>	<u> </u>
	2023 £	2022 £
Other significant revenue		
Interest income	32,513	49,180
Grants received	-	15,938
	<u> </u>	<u> </u>
	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	302,000	302,000
	<u> </u>	<u> </u>

3 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(15,938)
Depreciation of owned tangible fixed assets	63	74
	<u> </u>	<u> </u>

4 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	7,000	7,000
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Management	2	2
	<u> </u>	<u> </u>

SKY GROUP OF COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2023

5	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2023	2022
		£	£
	Wages and salaries	79,447	82,000
	Social security costs	9,374	14,826
		<u>88,821</u>	<u>96,826</u>
		<u><u>88,821</u></u>	<u><u>96,826</u></u>
6	Directors' remuneration		
		2023	2022
		£	£
	Remuneration for qualifying services	79,447	82,000
		<u>79,447</u>	<u>82,000</u>
		<u><u>79,447</u></u>	<u><u>82,000</u></u>
7	Interest payable and similar expenses		
		2023	2022
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Other interest on financial liabilities	30,558	24,500
		<u>30,558</u>	<u>24,500</u>
		<u><u>30,558</u></u>	<u><u>24,500</u></u>
8	Interest receivable and similar income		
		2023	2022
		£	£
	Interest income		
	Interest on bank deposits	1,391	49
	Other interest income	31,122	49,131
		<u>32,513</u>	<u>49,180</u>
	Total income	<u>32,513</u>	<u>49,180</u>
		<u><u>32,513</u></u>	<u><u>49,180</u></u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	1,391	49
		<u>1,391</u>	<u>49</u>
		<u><u>1,391</u></u>	<u><u>49</u></u>
9	Taxation		
		2023	2022
		£	£
	Current tax		
	UK corporation tax on profits for the current period	22,739	5,860
	Adjustments in respect of prior periods	-	(13)
		<u>22,739</u>	<u>5,847</u>
	Total current tax	<u>22,739</u>	<u>5,847</u>
		<u><u>22,739</u></u>	<u><u>5,847</u></u>

SKY GROUP OF COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2023

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	54,747	114,783
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	10,402	21,809
Tax effect of expenses that are not deductible in determining taxable profit	12,337	8,885
Adjustments in respect of prior years	-	(13)
Group relief	-	(24,834)
Taxation charge for the year	22,739	5,847

10 Dividends

	2023 £	2022 £
Interim paid	224,000	224,000

11 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 25 March 2022 and 24 March 2023	41,650
Depreciation and impairment	
At 25 March 2022	41,233
Depreciation charged in the year	63
At 24 March 2023	41,296
Carrying amount	
At 24 March 2023	354
At 24 March 2022	417

12 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	13	114	114

SKY GROUP OF COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2023

13 Subsidiaries

Details of the company's subsidiaries at 24 March 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Actvale Limited	England and Wales	Ordinary shares	67.00
Sky Invest Limited	England and Wales	Ordinary shares	100.00
Sky Properties Limited	England and Wales	Ordinary shares	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Actvale Limited	6,744	42,332
Sky Invest Limited	2,628,089	304,136
Sky Properties Limited	574,305	(25,657)

14 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Amounts owed by group undertakings	869,265	856,773
Other debtors	370,145	653,767
Prepayments and accrued income	12,351	20,302
	<u>1,251,761</u>	<u>1,530,842</u>
Amounts falling due after more than one year:		
Other debtors	-	55,182
	<u>-</u>	<u>55,182</u>
Total debtors	<u>1,251,761</u>	<u>1,586,024</u>

SKY GROUP OF COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2023

15 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other borrowings	16	610,000	700,000
Amounts owed to group undertakings		227,409	81,527
Corporation tax		22,711	5,847
Other creditors		8,577	2,930
Accruals and deferred income		4,091	1,823
		<u>872,788</u>	<u>792,127</u>

16 Loans and overdrafts

	2023 £	2022 £
Other loans	610,000	700,000
	<u>610,000</u>	<u>700,000</u>
Payable within one year	610,000	700,000
	<u>610,000</u>	<u>700,000</u>

17 Share capital

	2023 £	2022 £
Ordinary share capital		
Issued and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

18 Profit and loss reserves

	2023 £	2022 £
At the beginning of the year	1,311,693	1,426,757
Profit for the year	32,008	108,936
Dividends declared and paid in the year	(224,000)	(224,000)
	<u>1,119,701</u>	<u>1,311,693</u>
At the end of the year	1,119,701	1,311,693

SKY GROUP OF COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2023

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	123,657	120,657

Other information

The company has taken advantage of the exemption available under FRS 102 whereby it has not disclosed any transactions and balances with any wholly owned group companies.

Included in amounts owed by group undertakings are amounts of £331,718 (2022: £355,718) due from Actvale Limited, a subsidiary of the company.

Included in creditors due within one year are amounts of £610,000 (2022: £700,000) due to P.E. Rose B settlement. Interest of £30,558 (2022: £24,500) was paid on the balance. The company's directors, M Rose and J Rose, are beneficiaries of the settlement.

The company was charged management fees of £4,400 (2022: £4,400) by P.E. Rose B settlement during the year.

20 Directors' transactions

Included in other debtors is the amount of £5,372 (2022: £2,653) due from M Rose, a director of the company.

21 Ultimate controlling party

The company is controlled by its parent company, Silex Trust Company Limited, a company registered in the British Virgin Islands.

The registered office address of Silex Trust Company Limited is PO Box 173, Kingsion Chambers, Roadtown, Tortola, British Virgin Islands.

SKY GROUP OF COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 24 MARCH 2023

22 Cash generated from/(absorbed by) operations

	2023	2022
	£	£
Profit for the year after tax	32,008	108,936
Adjustments for:		
Taxation charged	22,739	5,847
Finance costs	30,558	24,500
Investment income	(32,513)	(49,180)
Depreciation and impairment of tangible fixed assets	63	74
Movements in working capital:		
Decrease/(increase) in debtors	334,263	(469,797)
Increase in creditors	153,797	78,690
Cash generated from/(absorbed by) operations	540,915	(300,930)

SKY GROUP OF COMPANIES PLC
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 24 MARCH 2023

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.