

Sky Software Limited
Report and Financial Statements
for the year ended 30 September 2006

Registered Number. 01781451

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Sky Software Limited
Report and Financial Statements
for the year ended 30 September 2006
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Sky Software Limited

Directors' report for the year ended 30 September 2006

The directors have pleasure in presenting their report and audited financial statements of Sky Software Limited (the "Company") for the year ended 30 September 2006

Principal activity, business review and future developments

The principal activity of the Company is that of an investment holding company. The results for the year are set out in the profit and loss account on page 5. The Company will continue to provide financing to other group companies and anticipates no major changes in the environment.

Key performance indicators (KPI's)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Directors and their interests

The directors who held office during the year are given below:

P S Harrison

P A Walker

The directors who served during the year, had no interest in the shares of the Company at any time during the year, or prior year. The interests of the directors in the shares of The Sage Group plc are set out in the annual report of that company for the year ended 30 September 2006.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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.

The directors confirm that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (2) the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Sky Software Limited

Directors' report for the year ended 30 September 2006 (continued)

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting

On behalf of the Board



P. S. Harrison

Director

28 June 2007

Sky Software Limited

Independent auditors' report to the members of Sky Software Limited

We have audited the financial statements of Sage Software Limited for the year ended 30 September 2006 which comprise the profit and loss Account, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Sky Software Limited

Independent auditors' report to the members of Sky Software Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 September 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

28 June 2007

Sky Software Limited

Profit and loss account for the year ended 30 September 2006

	Note	2006 £	2005 £
Interest receivable and similar income	2	-	4
Interest payable and similar charges	3	-	(4)
Profit on ordinary activities before and after taxation	9	-	-

All results refer entirely to continuing operations

Recognised gains and losses

The Company has no recognised gains or losses, as defined in Financial Reporting Standard 3 ("FRS 3"), Reporting Financial Performance, which are not included in the above profit and loss account

Historical cost profits and losses

There is no material difference between the reported profits and the historical cost profits for 2006 and 2005

Sky Software Limited

Balance sheet as at 30 September 2006

	Note	2006 £	2005 £
Fixed assets			
Investments	4	55	55
Current assets			
Debtors	5	599,156	599,156
Creditors amounts falling due within one year	6	(155)	(155)
Net current assets		599,001	599,001
Net assets		599,056	599,056
 Capital and reserves			
Called up share capital	7	175,000	175,000
Share premium account	8	241,936	241,936
Profit and loss account	9	182,120	182,120
Equity shareholders' funds	10	599,056	599,056

The financial statements on pages 5 to 10 were approved by the board of directors on 28 June 2007 and were signed on its behalf by


P. S. Harrison
Director

Sky Software Limited

Statement of accounting policies

Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies applied consistently are set out below.

Cash flow statement

The Company is a wholly owned subsidiary of The Sage Group plc and is included in the consolidated financial statements of The Sage Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 "Cash flow statements" (revised 1996).

Investments

Investments are stated at cost. The Company has taken advantage of the exemption not to prepare consolidated financial statements per s228 Companies Act 1985, as it is included in the consolidated financial statements of The Sage Group plc.

Sky Software Limited

Notes to the financial statements for the year ended 30 September 2006

1 Employees and directors

Neither the directors nor the secretary received any emoluments during the year in respect of their services to the Company (2005 £Nil)

No other persons were employed during the year (2005 Nil)

2 Interest receivable and similar income

	2006	2005
	£	£
Interest on loans to group undertakings	-	4

3 Interest payable and similar charges

	2006	2005
	£	£
Interest on loans from group undertakings	-	4

4 Investments

	Group companies
	£
Cost	
At 1 October 2005	55
Additions	-
At 30 September 2006	55

The Company has the following interest at 30 September 2006

Name	% ownership of ordinary shares	Country of incorporation	Principal activity
Sage Benton Limited	100%	United Kingdom	Dormant

The directors believe that the investment is stated at an amount not less than their carrying value

Sky Software Limited

Notes to the financial statements for the year ended 30 September 2006 (continued)

5 Debtors

	2006	2005
	£	£
Amounts due by group undertakings	599,156	599,156

6 Creditors: amounts falling due within one year

	2006	2005
	£	£
Amounts due to group undertakings	155	155

7 Called up equity share capital

	2006	2005
	£	£
Authorised		
70,000 'A' ordinary shares of £1 each	70,000	70,000
105,000 'B' ordinary shares of £1 each	105,000	105,000
	175,000	175,000
Allotted, called up and fully paid		
70,000 'A' ordinary shares of £1 each	70,000	70,000
105,000 'B' ordinary shares of £1 each	105,000	105,000
	175,000	175,000

The 'A' and 'B' ordinary shares rank pari passu in all respects

Sky Software Limited

Notes to the financial statements for the year ended 30 September 2006 (continued)

8 Share premium account

	£
At 1 October 2005 and 30 September 2006	241,936

9 Profit and loss account

	£
At 1 October 2005 and at 30 September 2006	182,120

10 Reconciliation of movement in equity shareholders' funds

	2006 £	2005 £
Opening equity shareholders' funds	599,056	599,056
Result for the year	-	-
Closing equity shareholders' funds	599,056	599,056

11 Parent undertaking and controlling party

The Company's immediate and ultimate parent undertaking and controlling party is The Sage Group plc, a company registered in England. Copies of the group accounts can be obtained from the registered office at North Park, Newcastle upon Tyne, NE13 9AA.

12 Related party transactions

As the Company is a wholly owned subsidiary of The Sage Group plc, the Company has taken advantage of the exemption pursuant to paragraph 17 of FRS 8 "Related Party Disclosures", not to include details of transactions with other companies which are subsidiaries of The Sage Group plc. There are no other related party transactions.