

Registration number 1015678

SANDERLING LIMITED

Directors' report and financial statements

for the year ended 30th September 2008



SANDERLING LIMITED

Company information

Directors	E.J.C. Album E.A. Album	(Chairman)
Secretary	C. Silk	
Company number	1015678	
Registered office	Exchange Tower (10th floor) 1 Harbour Exchange Square London E14 9GE	
Auditors	Griffith Miles Sully & Co 7 Gore Road Burnham Slough Berks., SL1 8AA	

SANDERLING LIMITED

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SANDERLING LIMITED

Directors' report for the year ended 30th September 2008

The directors present their report and the financial statements for the year ended 30th September 2008.

Principal activity

The principal activity of the company is the provision of advisory services.

Directors

The directors who served during the year are as stated below:

E.J.C. Album (Chairman)
E.A. Album

Directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Griffith Miles Sully & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

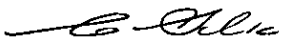
SANDERLING LIMITED

**Directors' report
for the year ended 30th September 2008**

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This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 10th February 2009 and signed on its behalf by



**C. Silk
Secretary**

SANDERLING LIMITED

Independent auditors' report to the shareholders of SANDERLING LIMITED

We have audited the financial statements of SANDERLING LIMITED for the year ended 30th September 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the 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).

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 judgements 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.

SANDERLING LIMITED

Independent auditors' report to the shareholders of SANDERLING LIMITED continued

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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable for Smaller Entities, of the state of the company's affairs as at 30th September 2008 and of its profit 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.

Griffith Miles Sully & Co.

**Griffith Miles Sully & Co
Chartered Accountants and
Registered Auditors
11th February 2009**

**7 Gore Road
Burnham
Slough
Berks., SL1 8AA**

SANDERLING LIMITED

Profit and loss account for the year ended 30th September 2008

		2008	2007
	Notes	£	£
Turnover	2	530,273	477,939
Administrative expenses		(218,572)	(178,931)
Other operating income		9,591	(195)
Operating profit	3	<u>321,292</u>	<u>298,813</u>
Other interest receivable and similar income		7,483	-
Interest payable and similar charges		<u>(2,188)</u>	<u>(8,061)</u>
Profit on ordinary activities before taxation		326,587	290,752
Tax on profit on ordinary activities	5	<u>(84,794)</u>	<u>(58,883)</u>
Profit for the year	12	<u>241,793</u>	<u>231,869</u>
Retained profit brought forward		1,162,799	930,930
Retained profit carried forward		<u><u>1,404,592</u></u>	<u><u>1,162,799</u></u>
Statement of total recognised gains and losses			
Profit on ordinary activities after taxation		241,793	231,869
Unrealised movement on revaluation of property		<u>(329,909)</u>	<u>36,812</u>
Total recognised losses/gains since last annual report		<u><u>(88,116)</u></u>	<u><u>268,681</u></u>

The notes on pages 7 to 13 form an integral part of these financial statements.

SANDERLING LIMITED

Balance sheet as at 30th September 2008

		2008		2007	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		2,876,096		3,243,616
Investments	7		36,372		36,372
			<u>2,912,468</u>		<u>3,279,988</u>
Current assets					
Debtors	8	243,129		332,650	
Cash at bank and in hand		417,172		95,402	
		<u>660,301</u>		<u>428,052</u>	
Creditors: amounts falling due within one year	9	(146,066)		(215,332)	
Net current assets			<u>514,235</u>		<u>212,720</u>
Total assets less current liabilities			3,426,703		3,492,708
Creditors: amounts falling due after more than one year	10		(22,111)		-
Net assets			<u>3,404,592</u>		<u>3,492,708</u>
Capital and reserves					
Called up share capital	11		2,000,000		2,000,000
Revaluation reserve	12		-		329,909
Profit and loss account	12		1,404,592		1,162,799
Shareholders' funds			<u>3,404,592</u>		<u>3,492,708</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2007) relating to small companies.

The financial statements were approved by the Board on 10th February 2009 and signed on its behalf by


E.J.C. Album
Director

The notes on pages 7 to 13 form an integral part of these financial statements.

SANDERLING LIMITED

Notes to the financial statements for the year ended 30th September 2008

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Not depreciated
Leasehold properties	-	Not depreciated
Fixtures, fittings and equipment	-	20% and 25% straight line
Motor vehicles	-	25% straight line

1.4. Investment properties

In accordance with SSAP 19 investment properties are carried at open market values and the surplus or deficit arising on revaluation is transferred to a revaluation reserve, and no provision is made for depreciation. This departure from the Companies Act 1985, which requires all properties to be depreciated is, in the opinion of the directors, necessary for the accounts to show a true and fair view in accordance with applicable accounting standards.

1.5. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.6. Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are only recognised to the extent that the directors consider that it is more than likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the rate which would apply when the timing differences are expected to reverse, based on the tax rates and laws that have been enacted by the balance sheet date.

1.7. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

SANDERLING LIMITED

Notes to the financial statements for the year ended 30th September 2008

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1.8. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

Operating profit is stated after charging:

Depreciation

- written off owned tangible fixed assets

- written off tangible fixed assets on hire purchase

and after crediting:

Profit on disposal of tangible fixed assets

2008	2007
£	£

69,509	25,657
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13,646	-
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8,432	-
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4. Directors' emoluments

2008	2007
£	£

Remuneration and other benefits

10,000	7,500
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SANDERLING LIMITED

Notes to the financial statements for the year ended 30th September 2008

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5. Tax on profit on ordinary activities

Analysis of charge in period	2008 £	2007 £
Current tax		
UK corporation tax at 22.58% (2007 - 19.50%)	84,300	58,500
Adjustments in respect of previous periods	(31)	(13)
	<hr/> 84,269	<hr/> 58,487
Overseas tax	525	396
	<hr/> 84,794	<hr/> 58,883
Tax on profit on ordinary activities	<hr/> <hr/>	<hr/> <hr/>

Factors that may affect future tax charges

No provision has been made for the deferred tax charge arising from the revaluation of land and buildings which may arise if these assets are subsequently disposed of. If they were disposed of at the revalued amount it is estimated that tax of £207,000 (2007: £290,000) would be payable.

SANDERLING LIMITED

Notes to the financial statements for the year ended 30th September 2008

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6. Tangible fixed assets	Land and buildings freehold £	Long leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1st October 2007	900,000	2,290,000	44,293	90,260	3,324,553
Additions	-	-	2,537	54,575	57,112
Impairment losses	(11,556)	(48,535)	-	-	(60,091)
Revaluation	(63,444)	(266,465)	-	-	(329,909)
Disposals	-	-	(39,089)	(46,270)	(85,359)
At 30th September 2008	825,000	1,975,000	7,741	98,565	2,906,306
Depreciation					
At 1st October 2007	-	-	32,745	48,192	80,937
On disposals	-	-	(39,089)	(34,702)	(73,791)
Charge for the year	-	-	9,418	13,646	23,064
At 30th September 2008	-	-	3,074	27,136	30,210
Net book values					
At 30th September 2008	825,000	1,975,000	4,667	71,429	2,876,096
At 30th September 2007	900,000	2,290,000	11,548	42,068	3,243,616

The cost of all the properties at 30th September 2008 was £1,750,091 (2007: £1,750,091).

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2008		2007	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	40,929	13,646	-	-

SANDERLING LIMITED

Notes to the financial statements for the year ended 30th September 2008

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7.	Fixed asset investments	Subsidiary undertakings shares £	Other unlisted investments £	Total £
	Cost			
	At 1st October 2007			
	At 30th September 2008	1,000	35,372	36,372
	Net book values			
	At 30th September 2008	1,000	35,372	36,372
	At 30th September 2007	1,000	35,372	36,372

7.1. Holdings of 20% or more

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

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Midland Railway Co. Ltd	England	Not trading	Ordinary	100%

8.	Debtors	2008 £	2007 £
	Trade debtors	113,345	37,650
	Other debtors	88,170	260,158
	Prepayments and accrued income	41,614	34,842
		243,129	332,650

SANDERLING LIMITED

Notes to the financial statements for the year ended 30th September 2008

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9. Creditors: amounts falling due within one year	2008 £	2007 £
Bank overdraft	5,783	93,047
Corporation tax	84,300	58,500
Other taxes and social security costs	3,484	7,888
Other creditors	18,653	19,118
Accruals and deferred income	33,846	36,779
	<u>146,066</u>	<u>215,332</u>

The bank overdraft is secured.

10. Creditors: amounts falling due after more than one year	2008 £	2007 £
Net obligations under finance leases and hire purchase contracts	<u>22,111</u>	<u>-</u>

11. Share capital	2008 £	2007 £
Authorised		
5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, called up and fully paid		
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
Equity Shares		
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

12. Reserves	Revaluation reserve £	Profit and loss account £	Total £
At 1st October 2007	329,909	1,162,799	1,492,708
Revaluation of property	(329,909)		(329,909)
Profit for the year		241,793	241,793
At 30th September 2008	<u>-</u>	<u>1,404,592</u>	<u>1,404,592</u>

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Notes to the financial statements for the year ended 30th September 2008

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13. Transactions with directors

The following director had interest free loans during the year. The movements on these loans were as follows:

	Amount owing		Maximum in year
	2008	2007	
	£	£	£
E.J.C. Album	<u>16,531</u>	<u>167,358</u>	<u>167,358</u>

14. Related party transactions

Fees were charged to Mr E.J.C. Album's solicitors practice during the year of £47,750 (2007: £0) and certain expenses were also shared with it. The total amount due at 30th September 2008 was £113,345 (2007: £37,650).

15. Controlling interest

The company is controlled by Mr E J C Album by virtue of his beneficial ownership of 100% of the issued ordinary share capital.