

SANDCO 854 LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**



Company number 05159648

REPORT AND FINANCIAL STATEMENTS 2008

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DIRECTORS, ADVISERS AND OFFICERS

DIRECTORS

Executive

R R E Stanley

C Brooks

D Kell

Chairman/Chief Executive

SECRETARY

C Brooks

REGISTERED OFFICE

Vigo Centre
Birtley Road
Washington
Tyne and Wear
NE38 9DA

AUDITORS

Baker Tilly UK Audit LLP
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

SOLICITORS

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 6AE

BANKERS

The Royal Bank of Scotland
31 Grey Street
Newcastle upon Tyne
NE1 6ES

DIRECTORS REPORT

The directors submit their report and the financial statements of Sandco 854 Limited for the year ended 31 December 2008.

For the year ended 31st December 2008 the company was entitled to exemption under 249A(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for:

- a) Ensuring the company keeps accounting records which comply with section 221.
- b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Company Act relating to accounts, as far as applicable to the company.

APPROVAL

This report was approved by the board and authorised for issue on 27 October 2009 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'C Brooks', written over the printed name and title.

C Brooks
Director

DIRECTORS RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

UK company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with IFRS as adopted by the EU.

The financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the company; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The financial statements are required by law to give a true and fair view of the state of affairs of the company.

In preparing the company financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether they have been prepared in accordance with IFRSs adopted by the EU;
- d. 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 requirements of 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.

BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	2008 £000's	2007 £000's
Assets			
Non Current Assets			
Investments	3	-	-
		-	-
		-	-
Current Assets			
Trade and other receivables	4	-	-
		-	-
		-	-
Total Assets		-	-
Liabilities			
Current Liabilities			
Trade and other payables	6	-	-
		-	-
		-	-
Total Liabilities		-	-
Equity			
Share capital	5	-	-
Total Equity		-	-
		-	-
Total equity & liabilities		-	-

For the year ended 31 December 2008 the company was entitled to exemption under section 249A(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2). The director's acknowledge their responsibility for: (i) Ensuring the company keeps accounting records which comply with section 221; and (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements on Pages 6 to 14 were approved by the board of directors and authorised for issue on 27 October 2009 and are signed on its behalf by:



C Brooks
Director

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £000's	2007 £000's
Revenue		-	-
Investment Impairment	3	-	(120)
Write off of intercompany payable	7	<u>-</u>	<u>120</u>
Profit from operations		-	-
Finance costs		-	-
Profit for the year		<u>-</u>	<u>-</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

Attributable to equity holders of the company

	Share capital £000's	Accumulated Profits £000's	Total Equity £000's
Balance at 1 January 2007	-	-	-
Net profit for the year	-	-	-
Balance at 1 January 2008	-	-	-
Net profit for the year	-	-	-
Balance at 31 December 2008	-	-	-

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 £000's	2007 £000's
Operating activities		
Profit before tax and interest expense	-	-
Net cash from operating activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of the year	<u>-</u>	<u>-</u>

**FINANCIAL STATEMENTS
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS").

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Basis of consolidation

The purchase method of accounting is used to account for the acquisitions of subsidiaries by the company. The cost of an acquisition is measured as the fair value of the assets given equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at acquisition date irrespective of the extent of any minority interest.

The results of Clickhere Limited, a 100% owned subsidiary of the company, and of Joeknowsit? Limited, a subsidiary in which the company holds a controlling interest, have not been consolidated into these financial statements as consolidation is carried out on a group basis within the financial statements of Tanfield Group plc, the company's ultimate parent undertaking.

FINANCIAL STATEMENTS
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are included at cost less amounts written off.

At each balance sheet date, the company reviews the carrying amounts of its investments 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).

The acquisition of investments has been accounted for by the purchase method of accounting.

FINANCIAL STATEMENTS
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the company's balance sheet when the company has become a party to the contractual provisions of the instrument.

Financial liability and equity

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.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Adoption of International accounting standards

IFRS 8 'Operating Segments' (effective for periods commencing on or after 1 January 2009).

IFRS 8 introduces new disclosure requirements for segmental information and supersedes IAS 14 "Segmental Reporting". The company is not within the scope of this standard and there will therefore be no impact on the financial statements.

IFRIC 12, 'Service Concession Arrangements' (effective from 1 April 2008).

IFRIC 12 addresses the accounting by operators of public-private service concession arrangements. The company has assessed the impact of this interpretation and has concluded it will have no effect on the company's financial statements.

IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008).

IFRIC13 addresses accounting by entities that grant loyalty award credits to customers that buy the entities' goods or services. Specifically, the interpretation explains how the entities should account for their obligations to provide free or discounted goods or services ('awards') to customers that redeem award credits. It is not likely to have a significant impact on the company's financial statements.

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective 1 January 2008)

IFRIC 14, its recent interpretation of International Accounting Standard IAS19, will affect employers that sponsor defined benefit schemes. At December 2007 the company had no defined benefit schemes and had no current plans to introduce such schemes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1 PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the EU ("IFRS").

These financial statements are presented in Sterling since that is the currency in which the majority of the company's transactions are denominated.

2 SUBSIDIARIES

Details of the company's subsidiaries at 31 December 2008 are as follows:

Name of subsidiary	Place of incorporation	Proportion of ownership interest %	Proportion of voting power held %	Principal Activity
ClickHere Limited	United Kingdom	100	100	Training provider
Joeknowsit? Limited	United Kingdom	75	75	On-line training provider

3 INVESTMENTS

	2008 £000's	2007 £000's
Trading investments		
At 1 January	-	120
Investment impairment	-	(120)
Fair value at 31 December	-	-

The investment shown above represents and investment in a subsidiary company, ClickHere Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

4 OTHER FINANCIAL ASSETS

Trade and other receivables comprise amounts owed from group undertakings of £nil (2007: £nil).

5 SHARE CAPITAL

	2008 £	2007 £
1 Ordinary share of £1 each Authorised:	1	1
Issued and Fully Paid:	1	1

There were no movements in the share capital of the company in either the 2008 or 2007 reporting periods.

The company has one class of ordinary shares, which carry no right to fixed income.

6 OTHER FINANCIAL LIABILITIES

Trade and other payables comprise amounts owed to group undertakings of £nil (2007: £nil).

The directors consider that the carrying amount of trade payables approximates to their fair value.

7 RELATED PARTY TRANSACTIONS

The company had the following balances owed to/from other group companies:

	2008 £000's	2007 £000's
Amounts owed to related parties at the year end		
Tanfield Group PLC	-	-

Directors' Transactions

There were no transactions with Directors during the year.

8 ULTIMATE PARENT UNDERTAKING

Tanfield Group Plc, a company incorporated in England, own 100% of the issued share capital of Sandco 854 Limited and is the ultimate parent undertaking. Copies of the Group financial statements can be obtained from Vigo Centre, Birtley Road, Washington, Tyne and Wear, NE36 9DA.