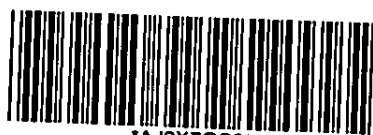


SANDERON LIMITED

Financial Statements

31st March 2009

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SCRUTTON BLAND

SANDERON LIMITED

Financial Statements

Year ended 31st March 2009

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SANDERON LIMITED

Officers and Professional Advisers

The board of directors	J J H Anderson
Company secretary	Cargil Management Services Limited
Registered office	228 Old London Road Marks Tey Colchester Essex CO6 1HD
Auditor	Scrutton Bland Accountants & Registered Auditors 820 The Crescent Colchester Business Park Colchester Essex CO4 9YQ
Bankers	Barclays Bank plc Mile End Road London

SANDERON LIMITED

The Director's Report

Year ended 31st March 2009

The director presents his report and the financial statements of the company for the year ended 31st March 2009.

Principal activities

The principal activity of the company in the year under review was the import and retail of wooden garden furniture.

Directors

The directors who served the company during the year were as follows:

C B H Anderson
J J H Anderson

Mr C B H Anderson passed away on 19 October 2009.

Director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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 director is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

SANDERON LIMITED

The Director's Report *(continued)*

Year ended 31st March 2009

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
228 Old London Road
Marks Tey
Colchester
Essex
CO6 1HD

Signed on behalf of the director



J J H Anderson

Director

Approved by the director on 8.1.10

SANDERON LIMITED

Independent Auditor's Report to the Shareholders of Sanderon Limited

Year ended 31st March 2009

We have audited the financial statements of Sanderon Limited for the year ended 31st March 2009 on pages 6 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out on pages 8 to 9.

This report is made solely to the company's members, 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 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.

Respective responsibilities of directors and auditor

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, and whether the information given in the Director's Report is consistent with the financial statements. We also 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 Director's 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.

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.

SANDERON LIMITED

Independent Auditor's Report to the Shareholders of Sanderon Limited *(continued)*

Year ended 31st March 2009

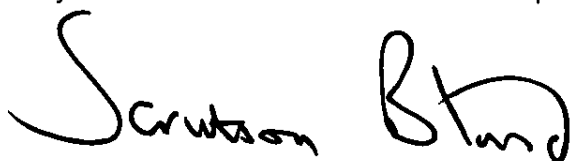
Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31st March 2009 and of its loss 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 Director's Report is consistent with the financial statements.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 to the financial statements concerning the company's ability to continue as a going concern. The company has continued to make losses and has a net balance sheet deficit of £381,946. The company is heavily reliant upon the continuing support of its parent company to continue as a going concern and this support has been pledged for the foreseeable future. The financial statements have been prepared on a going concern basis and do not include the adjustments that would result if the company was unable to continue as a going concern.



SCRUTTON BLAND
Accountants & Registered Auditors

820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

14 January 2010

SANDERON LIMITED

Profit and Loss Account

Year ended 31st March 2009

	Note	2009 £	2008 £
Turnover		213,439	249,511
Cost of sales		<u>94,620</u>	<u>163,587</u>
Gross profit		118,819	85,924
Distribution costs		<u>4,180</u>	15,821
Administrative expenses		<u>166,599</u>	<u>151,818</u>
Operating loss	2	(51,960)	(81,715)
Interest payable and similar charges		<u>152</u>	<u>1,243</u>
Loss on ordinary activities before taxation		(52,112)	(82,958)
Tax on loss on ordinary activities		-	-
Loss for the financial year		<u>(52,112)</u>	<u>(82,958)</u>

The notes on pages 8 to 11 form part of these financial statements.

SANDERON LIMITED

Balance Sheet

31st March 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	4	<u>4,287</u>	<u>2,911</u>
Current assets			
Stocks		197,529	150,056
Debtors	5	33,185	26,613
Cash at bank		<u>2,816</u>	<u>4,842</u>
		233,530	181,511
Creditors: Amounts falling due within one year	6	<u>8,375</u>	<u>446,128</u>
Net current assets/(liabilities)		<u>225,155</u>	<u>(264,617)</u>
Total assets less current liabilities		<u>229,442</u>	<u>(261,706)</u>
Creditors: Amounts falling due after more than one year	7	<u>611,388</u>	<u>68,128</u>
		<u>(381,946)</u>	<u>(329,834)</u>
Capital and reserves			
Called-up equity share capital	10	1	1
Profit and loss account	11	<u>(381,947)</u>	<u>(329,835)</u>
Deficit		<u>(381,946)</u>	<u>(329,834)</u>

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

These financial statements were approved by the director and authorised for issue on 8/4/09, and are signed on his behalf by:



J J H Anderson

Company Registration Number: 04674604

The notes on pages 8 to 11 form part of these financial statements.

SANDERON LIMITED

Notes to the Financial Statements

Year ended 31st March 2009

1. Accounting policies

Basis of accounting

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

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of valued added tax and trade discounts.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 25% straight line
Motor Vehicles	- 20% straight line

Stocks

Stocks, comprising goods held for resale, are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and net realisable value is the price at which the stock can be realised in the normal course of business.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Taxation

There is no taxation chargeable on the loss for the year and the tax losses are carried forward (see note 8). Deferred taxation assets are recognised when their recoverability is sufficiently certain.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

SANDERON LIMITED

Notes to the Financial Statements

Year ended 31st March 2009

1. Accounting policies *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Going concern

The company has net liabilities and is supported by bank funding, by a loan from the director, and by advances made by the holding company, C F Anderson & Son Limited. The director has agreed not to require repayment of his loan in the next 12 months. The holding company has agreed to continue to provide the support needed to allow the company to trade for the foreseeable future. As at 31 March 2009 the holding company had shareholders funds of £4,649,365. Fixed assets amounted to £6,365,981, and net current assets totalled £173,866. The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption is partly reliant upon the ability of the holding company to provide the level of financial support required by the company. The directors believe that it is appropriate for the financial statements to be prepared on the going concern basis.

2. Operating loss

Operating loss is stated after charging/(crediting):

	2009 £	2008 £
Directors' emoluments (note 3)	—	—
Depreciation of owned fixed assets	1,093	414
Auditor's fees	2,760	2,760
Net profit on foreign currency translation	<u>(5,854)</u>	<u>(4,461)</u>

3. Particulars of employees

There are no retirement benefits accruing under defined contribution pension schemes on behalf of the director. A management charge of £41,742 (2008: £36,181) was charged by C F Anderson Timber Products Limited in respect of directors' emoluments in the year.

SANDERON LIMITED

Notes to the Financial Statements

Year ended 31st March 2009

4. Tangible fixed assets

	Plant & Machinery £	Motor Vehicles £	Total £
Cost			
At 1st April 2008	325	5,500	5,825
Additions	2,469	–	2,469
At 31st March 2009	2,794	5,500	8,294
Depreciation			
At 1st April 2008	14	2,900	2,914
Charge for the year	573	520	1,093
At 31st March 2009	587	3,420	4,007
Net book value			
At 31st March 2009	2,207	2,080	4,287
At 31st March 2008	311	2,600	2,911

5. Debtors

	2009 £	2008 £
Trade debtors	33,020	22,732
Other debtors	165	3,881
	33,185	26,613

6. Creditors: Amounts falling due within one year

	2009 £	2008 £
Trade creditors	3,189	15,346
Amounts owed to group undertakings	–	411,224
Other creditors	656	469
Accruals and deferred income	4,530	19,089
	8,375	446,128

7. Creditors: Amounts falling due after more than one year

	2009 £	2008 £
Amounts owed to group undertakings	546,225	–
Other creditors	65,163	68,128
	611,388	68,128

SANDERON LIMITED

Notes to the Financial Statements

Year ended 31st March 2009

8. Deferred taxation

The deferred taxation asset of the company is £78,864 (2008 : £64,733). This has not been recognised within the financial statements since its recovery is not sufficiently certain.

9. Related party transactions

The ultimate parent company is C F Anderson & Son Limited.

At 31 March 2009 £247,334 (2008 : £209,922) was owed to C F Anderson & Son Limited. During the year, the company paid rent to C F Anderson & Son Limited of £30,000 (2008 : £30,000).

At 31 March 2009 £298,891 (2008 : £201,302) was owed to C F Anderson Timber Products Limited. Services were provided to the company during the year by C F Anderson Timber Products Limited totalling £57,845 (2008 : £53,880).

During the period J J H Anderson withdrew funds of £2,965 (2008 : £532) from the company. As at 31 March 2009 £65,163 (2008 : £68,128) was owed to J J H Anderson and is disclosed in other creditors due after more than one year.

10. Share capital

Authorised share capital:

	2009	2008
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

11. Profit and loss account

	2009	2008
	£	£
Balance brought forward	(329,835)	(246,877)
Loss for the financial year	<u>(52,112)</u>	<u>(82,958)</u>
Balance carried forward	<u>(381,947)</u>	<u>(329,835)</u>