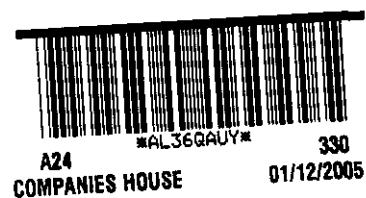


Registered number
04674604

SANDERON LIMITED
FINANCIAL STATEMENTS

31 MARCH 2005



Scrutton Bland
Accountants and Registered Auditors
Colchester

SANDERON LIMITED

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SANDERON LIMITED

DIRECTORS, OFFICERS AND ADVISERS

Directors	C B H Anderson J J H Anderson
Secretary	Cargil Management Services Limited
Registered Office	228 London Road Marks Tey Colchester Essex CO6 1HD
Registered Number	04674604
Auditors	Scrutton Bland 18 Sir Isaac's Walk Colchester CO1 1JL
Bankers	Barclays Bank plc Mile End Road London

SANDERON LIMITED

DIRECTORS' REPORT

The directors present their annual report and the financial statements of the company for the year ended 31 March 2005.

Principal activity

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

Directors

The directors, who served the company throughout the period, unless otherwise stated, and their interests in the company's issued ordinary share capital, were as follows:

	2004
C B H Anderson	-
J J H Anderson	-

C B H and J J H Anderson hold a controlling interest in C F Anderson & Son Limited, a company which is the beneficial owner of the shares in this company.

During the year, no right to subscribe for shares or debentures in the company were granted to or exercised by any of the company's directors.

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which 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 directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgments 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 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.

SANDERON LIMITED

DIRECTORS' REPORT

Auditors

A resolution to re-appoint Scrutton Bland as auditors of the company will be put to the members at the Annual General Meeting.

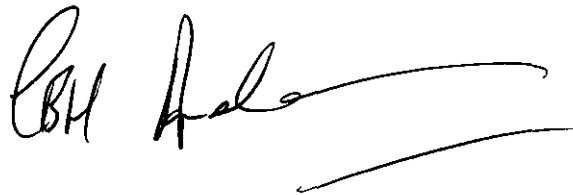
Accounting exemptions

Advantage is taken in the preparation of the directors' report of the special provisions contained in Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board

C B H Anderson

Director

A handwritten signature in black ink, appearing to read 'CBH Anderson', followed by a long horizontal flourish.

Approved by the board on 28 November 2005

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SANDERON LIMITED

We have audited the financial statements on pages 6 to 13, which have been prepared under the historical cost convention, and the accounting policies set out on pages 8 and 9.

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 the 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 auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

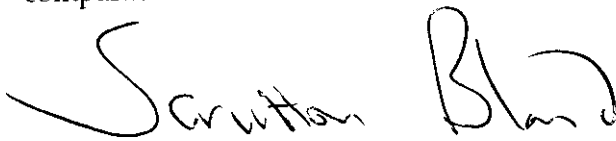
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SANDERON LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

A handwritten signature in black ink, appearing to read 'Scrutton Bland', written in a cursive style.

SCRUTTON BLAND

Accountants and
Registered Auditors

Colchester

30 November 2005

SANDERON LIMITED

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2005**

	Notes	£	21.2.03 to 31.3.04 £
Turnover	2	274,522	30,828
Cost of sales		(208,836)	(36,167)
Gross profit		65,686	(5,339)
Distribution costs		(18,107)	(7,811)
Administrative expenses		(71,942)	(68,880)
Operating loss	3	(24,363)	(82,030)
Interest payable	4	(5,815)	(2,309)
Loss on ordinary activities before taxation		(30,178)	(84,339)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year/period		<u>£ (30,178)</u>	<u>£ (84,339)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above financial periods.

Total recognised gains and losses

The company has no recognised gains or losses other than the loss for the above financial periods.

SANDERON LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2005**

	Notes	£	2004 £
Fixed assets			
Tangible assets	6	625	1,250
Current assets			
Stocks	7	122,580	107,833
Debtors	8	2,580	12,963
Cash at bank and in hand		190	-
		125,350	120,796
Creditors: amounts falling due within one year	9	(169,009)	(162,759)
Net current liabilities		(43,659)	(41,963)
Total assets less current liabilities		(43,034)	(40,713)
Creditors: amounts falling due after more than one year	10	(71,482)	(43,625)
Provision for liabilities and charges			
Deferred taxation	11	-	-
		<u>£ (114,516)</u>	<u>£ (84,338)</u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	(114,517)	(84,339)
Shareholders' funds - equity interests		<u>£ (114,516)</u>	<u>£ (84,338)</u>

Advantage is taken in the preparation of the financial statements of the special provisions contained in Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the directors on 28 November 2005

C B H Anderson

J J H Anderson

Directors

SANDERON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2005

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Going concern

The company has net liabilities and is funded by bank funding, by a loan from one of the directors, and by advances made by the holding company, C F Anderson & Son Limited. The director has agreed not to require repayment of this 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 and the financial statements have therefore been prepared on the basis of a going concern.

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Motor vehicles	-	25% straight line
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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.

SANDERON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2005

1 ACCOUNTING POLICIES - (continued)

Taxation

The charge for taxation is based on the loss for the period. The charge takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision is made for deferred taxation on all timing differences. The rate of tax used is that which is expected to be applied when the liability is expected to crystallise, based on tax rates that have been enacted by the balance sheet date. 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 arising in the normal course of trading are dealt with in the profit and loss account for the year.

2 TURNOVER

Turnover represents the amount receivable for goods sold during the period, exclusive of VAT.

3 OPERATING LOSS

The operating loss is stated after charging:

		21.2.03 to 31.3.04
	£	£
Depreciation of tangible fixed assets	625	625
Auditors' remuneration : in respect of audit services	1,000	2,850
	<u> </u>	<u> </u>

No director received any emoluments from this company in the period.

SANDERON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005**

4 INTEREST PAYABLE

		21.2.03 to 31.3.04
	£	£
Bank overdraft	4,183	2,309
Other interest	1,632	-
	<u>£ 5,815</u>	<u>£ 2,309</u>

5 TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

		21.2.03 to 31.3.04
Based on the loss for the period		
Corporation tax at 19% (2004 : 19%)	<u>£ -</u>	<u>£ -</u>

(b) Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax for small companies in the UK (19%). The difference is explained below:

		21.2.03 to 31.3.04
	£	£
Loss on ordinary activities before tax	<u>£ (30,178)</u>	<u>£ (84,339)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax for small companies in the UK of 19% (2004 : 19%)	(5,734)	(16,024)
Effects of:		
Expenses not deductible for tax purposes	19	40
Depreciation in excess of capital allowances	47	118
Losses carried forward	-	15,866
Losses group relieved	5,668	-
	<u>£ -</u>	<u>£ -</u>

SANDERON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005**

6 TANGIBLE FIXED ASSETS

	Motor vehicles £
Cost	
At 31 March 2004 and 31 March 2005	2,500
Depreciation	
At 31 March 2004	1,250
Charge for year	625
At 31 March 2005	1,875
Net book values	
At 31 March 2005	£ 625
At 31 March 2004	£ 1,250

7 STOCKS

		2004
Finished goods	£ 122,580	£ 107,833

8 DEBTORS

		2004 £
Trade debtors	1,970	9,543
Other debtors	610	3,420
	£ 2,580	£ 12,963

SANDERON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005**

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		2004
	£	£
Bank overdraft	-	54,035
Trade creditors	19,445	37,190
Amounts owed to group undertakings	145,499	69,034
Other creditors	4,065	2,500
	<u>£ 169,009</u>	<u>£ 162,759</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

		2004
Director's loan account	<u>£ 71,482</u>	<u>£ 43,625</u>

11 DEFERRED TAXATION

The deferred taxation asset of the company is £21,718. This has not been provided for within the financial statements since its recovery is not sufficiently certain.

12 CALLED UP SHARE CAPITAL

		2004
Authorised :		
1,000 ordinary shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
Allotted, called up and fully paid :		
1 ordinary share of £1 each	<u>£ 1</u>	<u>£ 1</u>

SANDERON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2005

13 RESERVES

	Profit and loss account £
At 1 April 2004	(84,339)
Loss for the year	(30,178)
	<hr/>
At 31 March 2005	<u>£ (114,517)</u>

14 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

		2004 £
Loss for the financial period/year after taxation	(30,178)	(84,839)
Issued share capital	-	1
	<hr/>	<hr/>
	(30,178)	(84,338)
Opening shareholders' funds at 31 March 2004	(84,338)	-
	<hr/>	<hr/>
Closing shareholders' funds at 31 March 2005	<u>£ (114,516)</u>	<u>£ (84,338)</u>

15 RELATED PARTIES

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

During the year, the company paid rent to C F Anderson & Son Limited of £30,000 (2004 : £12,500).

At 31 March 2005 £86,108 (2004 : £12,500) was owed to C F Anderson & Son Limited. This balance is shown in note 9 to the financial statements.

At 31 March 2005 £59,391 (2004 : £56,534) was owed to C F Anderson Timber Products Limited. This balance is shown in note 9 to the financial statements.

During the period J J H Anderson provided further funds of £27,857 (2004 : £43,625) to the company. This balance is shown in note 10 to the financial statements.