

SANDWOOD SECURITIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2008



SANDWOOD SECURITIES LIMITED

COMPANY INFORMATION

Directors	C B Willoughby S W Willoughby
Company secretary	C B Willoughby
Company number	856474
Registered office	85 High Road Chilwell Beeston Nottingham NG9 4AJ
Auditors	Cooper Parry LLP Chartered Accountants & Registered Auditors 14 Park Row Nottingham NG1 6GR

SANDWOOD SECURITIES LIMITED

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SANDWOOD SECURITIES LIMITED

DIRECTORS' REPORT for the year ended 31 March 2008

The directors present their report and the financial statements for the year ended 31 March 2008

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and 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 affairs of the company and of the profit or loss of the company for that period. In preparing these 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 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.

Principal activities

The company's principal activity during the year was that of a holding company.

Business review

During the year the company acquired the entire share capital of Flightcroft Limited, a company incorporated in England and Wales, for £1,700,114.

During the year a dividend of £1,700,114 was received from the company's subsidiary Willoughby Garages Nottingham Limited.

Results

The profit for the year, after taxation, amounted to £1,700,114 (2007 - £NIL).

Directors

The directors who served during the year were

C B Willoughby
S W Willoughby

SANDWOOD SECURITIES LIMITED

**DIRECTORS' REPORT
for the year ended 31 March 2008**

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

This report was approved by the board on 2 October 2008 and signed on its behalf

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

S W Willoughby
Director

SANDWOOD SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SANDWOOD SECURITIES LIMITED

We have audited the financial statements of Sandwood Securities Limited for the year ended 31 March 2008, set out on pages 5 to 9. These financial statements have been prepared in accordance with the accounting policies set out therein.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

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).

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.

SANDWOOD SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SANDWOOD SECURITIES LIMITED

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 31 March 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

Cooper Parry LLP

Cooper Parry LLP

Chartered Accountants
Registered Auditors

Nottingham

2 October 2008

SANDWOOD SECURITIES LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2008

	Note	2008 £	2007 £
Income from investments in group companies		<u>1,700,114</u>	<u>-</u>
Profit on ordinary activities before taxation		1,700,114	-
Tax on profit on ordinary activities		<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation	7	<u>1,700,114</u>	<u>-</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2008 or 2007 other than those included in the profit and loss account

The notes on pages 7 to 9 form part of these financial statements

SANDWOOD SECURITIES LIMITED

BALANCE SHEET as at 31 March 2008

	Note	£	2008 £	£	2007 £
Fixed assets					
Fixed asset investments	3		1,748,807		48,693
Current assets					
Debtors	4	1,100,121		121	
Creditors: amounts falling due within one year	5	(1,100,050)		(50)	
Net current assets			71		71
Total assets less current liabilities			<u>1,748,878</u>		<u>48,764</u>
Capital and Reserves					
Called up share capital	6		33,193		33,193
Profit and loss account	7		<u>1,715,685</u>		<u>15,571</u>
Shareholders' funds	8		<u>1,748,878</u>		<u>48,764</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 October 2008



S W Willoughby
Director

The notes on pages 7 to 9 form part of these financial statements

SANDWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

1. Accounting policies

1.1 Basis of preparation of financial statements

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

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Investments

Investments in subsidiaries are valued at cost less provision for impairment

1.3 Cash flow statement

Under FRS1 "Cash flow statements" the company is required to prepare a cash flow statement. However, during the year the company has not held a bank account and there have been no cash movements. Therefore, no cash flow statement has been included in the financial statements.

2. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2007 - £NIL)

3. Fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2007	48,693
Additions	1,700,114
At 31 March 2008	<u>1,748,807</u>

SANDWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

3. Fixed asset investments (continued)

Subsidiary undertakings

The company holds 100% of the ordinary share capital in the following companies, which were incorporated in England and Wales

Willoughby Garages Nottm Limited
Flightcroft Limited
F Nicholson Limited*

* The company indirectly owns 100% of the share capital of F Nicholson Limited through the 100% investment in that company by Flightcroft Limited

The aggregate of the share capital and reserves as at 31 March 2008 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

	Aggregate of share capital and reserves £	(Loss) £
Willoughby Garages Nottm Limited	1,740,249	(107,557)
Flightcroft Limited	524,879	-
F Nicholson Limited	979,263	(18,744)
	<u> </u>	<u> </u>

4. Debtors

	2008 £	2007 £
Amounts owed by group undertakings	1,100,121	121
	<u> </u>	<u> </u>

5. Creditors: Amounts falling due within one year

	2008 £	2007 £
Other creditors	1,100,050	50
	<u> </u>	<u> </u>

6. Share capital

	2008 £	2007 £
Authorised		
40,000 Ordinary shares shares of £1 each	40,000	40,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
33,193 Ordinary shares shares of £1 each	33,193	33,193
	<u> </u>	<u> </u>

SANDWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

7. Reserves

	Profit and loss account £
At 1 April 2007	15,571
Profit for the year	1,700,114
At 31 March 2008	1,715,685

8. Reconciliation of movement in shareholders' funds

	2008 £	2007 £
Opening shareholders' funds	48,764	48,764
Profit for the year	1,700,114	-
Closing shareholders' funds	1,748,878	48,764

9. Transactions with directors

During the year, directors of group companies made the following interest free loans to the company

C B Willoughby	£275,000
S W Willoughby	£275,000
S C Clarke	£275,000
J Howarth	£275,000

These amounts were included within creditors at the year end

10. Related party transactions

During the year the company received a dividend from a subsidiary, Willoughby Garages Nottm Limited amounting to £1,700,114 (2007 £nil) As part of the transaction £1,100,000 was then loaned back to Willoughby Garages Nottm Limited

At the year end, the company was owed £1,100,121 by Willoughby Garages Nottm Limited (2007 £121) and is included within debtors

11. Controlling party

The company is controlled by its shareholders