Company Registration No. 1272521 (England and Wales)

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SANDS CATERING COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2007

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SANDS CATERING COMPANY LIMITED

COMPANY INFORMATION

Directors	R Rapacioli Mrs R Rapacioli M U Rapacioli
Secretary	Mrs R Rapacioli
Company number	1272521
Registered office	20 Tileyard Road London N7 9AH
Auditors	Nunn Hayward 66/70 Coombe Road New Malden Surrey KT3 4QW

SANDS CATERING COMPANY LIMITED

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SANDS CATERING COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2007

The directors present their report and financial statements for the year ended 31 August 2007

Principal activities
The principal activity of the company continued to be that of a management company

Directors
The following directors have held office since 1 September 2006

R Rapacioli
Mrs R Rapacioli
D J Rapacioli (Resigned 21 October 2007)
M U Rapacioli

Directors' interests
The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	31 August 2007	**1 September 2006**
R Rapacioli	12,950	12,950
Mrs R Rapacioli	4,550	4,550
D J Rapacioli	-	-
M U Rapacioli	-	-

Auditors
In accordance with section 385 of the Companies Act 1985, a resolution proposing that Nunn Hayward be reappointed as auditors of the company will be put to the Annual General Meeting

SANDS CATERING COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2007

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 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 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

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

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

By order of the board

Mrs R Rapacioli
Secretary
9 January 2008

SANDS CATERING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SANDS CATERING COMPANY LIMITED

We have audited the financial statements of Sands Catering Company Limited for the year ended 31 August 2007 set out on pages 5 to 12 These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005)

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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are 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 in our opinion the information given in the directors' 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 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

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

SANDS CATERING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF SANDS CATERING COMPANY LIMITED

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 31 August 2007 and of its profit for the year then ended and 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



Nunn Hayward

9 January 2008

Chartered Accountants
Registered Auditor

66/70 Coombe Road
New Malden
Surrey
KT3 4QW

SANDS CATERING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2007

	Notes	2007 £	2006 £
Turnover		718,000	469,957
Administrative expenses		(477,987)	(444,971)
Operating profit	2	240,013	24,986
Interest payable and similar charges		(25,430)	(31,862)
Profit/(loss) on ordinary activities before taxation		214,583	(6,876)
Tax on profit/(loss) on ordinary activities	3	(14,261)	1,026
Profit/(loss) on ordinary activities after taxation	11	200,322	(5,850)

SANDS CATERING COMPANY LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2007

	Notes	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible assets	4		7,305		5,562
Investments	5		85,167		85,167
			92,472		90,729
Current assets					
Debtors	6	500,377		331,601	
Cash at bank and in hand		200		200	
		500,577		331,801	
Creditors amounts falling due within one year	7	(186,437)		(188,262)	
Net current assets			314,140		143,539
Total assets less current liabilities			406,612		234,268
Creditors: amounts falling due after more than one year	8		(194,854)		(222,832)
			211,758		11,436
Capital and reserves					
Called up share capital	10		17,500		17,500
Profit and loss account	11		194,258		(6,064)
Shareholders' funds			211,758		11,436

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the Board for issue on 9 January 2008

R Rapacioli
Director

SANDS CATERING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2007

1 Accounting policies

1 1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1 2 Consolidation

The financial statements present information about the company as an individual undertaking and not about its group The company and its subsidiary undertakings comprise a small-sized group The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts

1 3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1 4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment	15% reducing balance

1 5 Investments

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

1 6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS17

2 Operating profit

	2007	2006
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	1,007	901
Auditors' remuneration	2,000	2,000
Directors' emoluments	281,942	215,366

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006 - 2)

3 Taxation

	2007	2006
	£	£
Current year taxation		
U K corporation tax	14,261	-
Receipt in respect of group relief	-	(1,026)
	14,261	1,026

4 Tangible fixed assets

	Fixtures, fittings and equipment
	£
Cost	
At 1 September 2006	20,290
Additions	2,750
At 31 August 2007	23,040
Depreciation	
At 1 September 2006	14,728
Charge for the year	1,007
At 31 August 2007	15,735
Net book value	
At 31 August 2007	7,305
At 31 August 2006	5,562

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

5 Fixed asset investments

	Unlisted investments £
Cost	
At 1 September 2006 & at 31 August 2007	85,167

Holdings of more than 20%
The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Supernote Limited	UK	Ordinary*	100 00
Goldnew Limited	UK	Ordinary*	76 00
Paramart Limited	UK	Ordinary	76 00
Shirepond Limited	UK	Ordinary*	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Principal activity	Capital and reserves 2007 £	Profit for the year 2007 £
Supernote Limited	Catering services	262,577	138,173
Goldnew Limited	Dormant	20,000	-
Paramart Limited	Restaurant	(186,181)	6,765
Shirepond Limited	Catering services	(462,614)	(74,285)

* - denotes held directly by Sands Catering Company Limited

6 Debtors

	2007 £	2006 £
Amounts owed by group undertakings	499,841	326,890
Other debtors	-	4,411
Prepayments and accrued income	536	300
	500,377	331,601

The amounts owed by group undertakings have no fixed repayment terms The company does not intend to seek repayment of the intercompany debt of £291,467 within one year

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

7 Creditors amounts falling due within one year	2007 £	2006 £
Bank loans and overdrafts	78,278	44,926
Trade creditors	478	363
Amounts owed to group undertakings	10,718	66,101
Other creditors	1,443	-
Corporation tax	14,261	-
Other taxes and social security costs	31,104	13,924
Directors' loan accounts	9,222	15,661
Loan	28,460	29,105
Accruals and deferred income	12,473	18,182
	186,437	188,262

Bank overdrafts are secured by a fixed and floating charge on all the assets of the company

8 Creditors amounts falling due after more than one year	2007 £	2006 £
Loan	194,854	222,832
Analysis of loans		
Not wholly repayable within five years by instalments	223,314	251,937
Included in current liabilities	(28,460)	(29,105)
	194,854	222,832
Instalments not due within five years	-	82,885
Loan maturity analysis		
In more than one year but not more than two years	30,950	31,288
In more than two years but not more than five years	163,904	108,659
In more than five years	-	82,885

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

9 Pension costs

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The pension cost charge represents contributions payable by the company to the fund

Defined contribution

	2007 £	2006 £
Contributions payable by the company for the year	7,200	7,200

10 Share capital

	2007 £	2006 £
Authorised		
50,000 Ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid		
17,500 Ordinary shares of £1 each	17,500	17,500

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 September 2006	(6,064)
Profit for the year	200,322
Balance at 31 August 2007	194,258

12 Contingent liabilities

The company has contingent liabilities in respect of guarantees given to secure the bank borrowings of certain companies
The aggregate amount of these borrowings at 31 August 2007 was £94,426 (2006 - £193,185)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2007

13 Financial commitments

At 31 August 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2008

	2007	2006
	£	£
Operating leases which expire		
In over five years	10,000	-

14 Controlling party

The company was controlled throughout the current and previous year by the directors by virtue of their shareholding

15 Related party transactions

M Rapacioli is a director and shareholder of Tileyard Estates Limited Tileyard Estates Limited is the owner of freehold buildings which the company rented for the period 29 September 2006 to 31 August 2007 The rent payable for this period amounted to £9,230

As at 31 August 2007 the company owed Sands Group Pension Fund £223,314 (2006 - £251,937) Interest is payable at the rate of 3% over base rate and the loan is repayable by 1 December 2011

During the year the company received management fees of £718,000 (2006 - £469,957) from its subsidiaries It also paid rent to a subsidiary company of £714 (2006 - £6,200)