

Sandersfire International Limited

**Directors' report and financial
statements**

Registered number 03073621
For the year ended 30 April 2012

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2012

Principal activity

The principal activity of the Company is the supply of fire protection materials

Business review

The Company was acquired by Goodwin PLC on 10 May 2011

The pre-tax profitability of the Company for the year ending 30 April 2012 improved to £86,785 by nature of efficiency gains obtained from the vertical integration between Sandersfire International Limited and fellow subsidiary Hoben International Limited despite there being a 30% reduction in turnover associated with the continuing decline of building construction activity in the UK

The Company obtained EN fire rating accreditation which should assist in winning export orders for the fire stopping mortar

The results for the year are summarised as follows

	12 months to 30 April 2012 £	Unaudited 13 months to 30 April 2011 £
Turnover	426,413	615,999
Profit/(loss) on ordinary activities before taxation	86,785	(52,462)
Tax (charge)/credit	(21,965)	9,939
Profit/(loss) on ordinary activities after taxation	64,820	(42,523)

Proposed dividend

The Company has not paid a dividend during the year (2011 interim dividend of £2,580 paid - unaudited) The directors do not propose payment of a final dividend (2011 £Nil - unaudited)

Directors

The directors serving during the year are set out below

J Connolly	(appointed 10 May 2011)
DA Hazlewood	(appointed 10 May 2011)
LF Parks	(resigned 10 May 2011)

Pension commitments

Prior to acquisition by Goodwin PLC, the Company contributed to defined contributions pension schemes. The assets of the schemes are held separately from those of the Company in an independently administered fund

Employee consultation

The Company takes seriously its responsibilities to employees and, as a policy, provides employees systematically with information on matters of concern to them. It is also the policy of the Company to consult where appropriate, on an annual basis, employees or their representatives so that their views may be taken into account in making decisions likely to affect their interests

Directors' report *(continued)*

Employment of disabled persons

The policy of the Company is to offer the same opportunity to disabled people, and those who become disabled, as to all others in respect of recruitment and career advancement, provided their disability does not prevent them from carrying out the duties required of them

Political and charitable contributions

The Company did not make any political or charitable donations and did not incur any political expenditure during the year (2011 £Nil - unaudited)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditor

On 25 January 2012, KPMG Audit Plc were appointed as auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG Audit Plc will, therefore, continue in office

Approved by the board of directors and signed on its behalf by



J Connolly
Chairman

Ivy House Foundry
Hanley
Stoke-On-Trent
ST1 3NR

4 December 2012

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under Company law the directors must not approve the financial statements unless they are satisfied that they 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Sandersfire International Limited

We have audited the financial statements of Sandersfire International Limited for the year ended 30 April 2012 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 April 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matter – prior period financial statements

In forming our opinion on the financial statements, which is not modified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

Independent auditor's report to the members of Sandersfire International Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Tim Widdas (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

4 December 2012

Profit and loss account
for the year ended 30 April 2012

	<i>Note</i>	12 months to 30 April 2012 £	Unaudited 13 months to 30 April 2011 £
Turnover	2	426,413	615,999
Cost of sales		(282,008)	(423,999)
Gross profit		144,405	192,000
Distribution costs		(13,719)	(1,712)
Administrative expenses		(43,930)	(242,810)
Operating profit/(loss)		86,756	(52,522)
Interest receivable and similar income	6	29	60
Profit/(loss) on ordinary activities before taxation	3	86,785	(52,462)
Tax (charge)/credit on profit/(loss) on ordinary activities	7	(21,965)	9,939
Profit/(loss) on ordinary activities after taxation for the financial period	15	64,820	(42,523)

All turnover and results from ordinary activities before taxation arise from continuing operations

The Company has no recognised gains or losses in either the current or preceding year other than the result for the year

Balance sheet
at 30 April 2012

	<i>Note</i>	2012	Unaudited
		£	2011
		£	£
Fixed assets			
Tangible assets	8	-	32
Current assets			
Stocks	9	31,786	25,963
Debtors	10	34,519	63,817
Cash at bank and in hand		171,641	77,158
		<u>237,946</u>	<u>166,938</u>
Creditors amounts falling due within one year	11	<u>(85,280)</u>	<u>(79,124)</u>
Net current assets		<u>152,666</u>	<u>87,814</u>
Total assets less current liabilities		<u>152,666</u>	<u>87,846</u>
Net assets		<u>152,666</u>	<u>87,846</u>
Capital and reserves			
Called up share capital	13	860	860
Profit and loss account	14	151,806	86,986
Equity shareholder's funds	15	<u>152,666</u>	<u>87,846</u>

A reconciliation of movements in shareholder's funds is given in note 15 to the financial statements

These financial statements were approved by the board of directors on 4 December 2012 and signed on its behalf by



J Connolly
Chairman



D Hazlewood
Director

Registered Company number 03073621

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable Accounting Standards

The Company is a wholly-owned subsidiary undertaking of Goodwin PLC and the results of the Company and its subsidiary undertakings are included in the consolidated financial statements of that Company. Therefore, the Company is exempt from the requirement to prepare consolidated financial statements

Going concern

After making enquiries into the future trading forecasts and cash requirements, the directors have formed a judgement at the time of approving the financial statements that the Company has adequate resources to meet its obligations and continue in operational existence for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing the directors' report and financial statements

Cash flow statement

Under Financial Reporting Standard 1, the Company is exempt from the requirements to prepare a cash flow statement as it is a wholly owned subsidiary of a parent undertaking which has produced a Group cash flow statement in accordance with the provisions of the standard

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets to their anticipated residual value over their estimated useful lives. The method of calculation and the rates applied are as follows

Computer equipment	-	25% straight line
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Stocks

Stocks have been valued at the lower of cost and net realisable value. Cost includes relevant overheads where appropriate

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Balances denominated in foreign currencies are translated into sterling using the contracted rate or the rate ruling on the balance sheet date and the gains and losses on translation are included in the profit and loss account

Notes (continued)

1 Accounting policies (continued)

Turnover

Turnover represents the amounts (excluding value added taxes and other sales taxes) derived from the provision of goods and services to external customers. Revenue is recognised at the time the principal risks and rewards transfer to the customer typically being either shipment or customer acceptance.

2 Turnover

Turnover represents the total sales for the year including sales to Group undertakings, analysed as follows

	12 months to 30 April 2012 £	Unaudited 13 months to 30 April 2011 £
UK	349,033	446,294
Rest of World	77,380	169,705
	<u>426,413</u>	<u>615,999</u>

3 Profit/(loss) on ordinary activities before taxation

	12 months to 30 April 2012 £	Unaudited 13 months to 30 April 2011 £
<i>Profit/(loss) on ordinary activities before taxation is stated after charging</i>		
Depreciation of tangible fixed assets		
Owned	32	2,203
Pension costs	-	69,550
Auditor's remuneration and expenses	2,000	-
	<u>2,032</u>	<u>71,753</u>

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Goodwin PLC.

4 Directors' remuneration

	12 months to 30 April 2012 £	Unaudited 13 months to 30 April 2011 £
Aggregate directors' remuneration		
Emoluments	-	140,496
Compensation for loss of office	-	27,000
	<u>-</u>	<u>167,500</u>

Notes (continued)

5 Staff numbers and costs

The Company has had no employees and no director received any emoluments during the 12 months to 30 April 2012. The average number of persons employed and paid by the Company (including directors), analysed by category, was as follows:

	Number of employees	
	Unaudited	
	12 months to	13 months to
	30 April 2012	30 April 2011
Administrative staff	-	1
Directors	-	1
	-	2

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	-	76,466
Social security costs	-	8,436
Compensation for loss of office	-	27,000
Pension costs	-	69,550
	-	181,452

6 Interest payable and similar charges

	12 months to	Unaudited
	30 April 2012	13 months to
	£	30 April 2011
	£	£
Bank interest	-	60
Interest on tax repayment	29	-
	29	60

Notes (continued)

7 Tax on profit/(loss) on ordinary activities

Analysis of charge in year

	12 months to 30 April 2012 £	Unaudited 13 months to 30 April 2011 £
<i>UK corporation tax</i>		
Current tax	20,197	(8,171)
Deferred tax	2,122	(1,768)
Adjustment in respect of prior year	(354)	-
Tax charge/(credit) on profit/(loss) on ordinary activities	21,965	(9,939)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2011 credit lower - unaudited) than the standard rate of corporation tax in the UK at 25.84% (2011 20% - unaudited). The differences are explained below.

	12 months to 30 April 2012 £	Unaudited 13 months to 30 April 2011 £
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	86,785	(52,462)
Current tax at 25.84% (2011 20% - unaudited)	22,421	(10,492)
<i>Effects of</i>		
Expenses not deductible for tax purposes	52	982
Losses brought forward	(2,284)	-
Losses carried back	-	1,300
Depreciation more than capital allowances	8	39
Total current tax charge/(credit) as above	20,197	(8,171)

Factors that may affect future current and total tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 25 March 2012 and 3 July 2012 respectively.

This will reduce the Company's future current tax charge accordingly.

It has not yet been possible to quantify the full anticipated effect of the announced further 1% rate reduction, although this will further reduce the Company's future current tax charge.

Notes (continued)

8 Tangible fixed assets

	Computer equipment £
Cost	
At beginning of year (unaudited)	1,974
Disposals	(1,974)
At end of year	-
Depreciation	
At beginning of year (unaudited)	1,942
Charged in the year	32
Disposals	(1,974)
At end of year	-
Net book value	
At 30 April 2012	-
At 30 April 2011 (unaudited)	32

9 Stocks

	2012 £	Unaudited 2011 £
Finished goods and goods for resale	31,786	25,963
	<u>31,786</u>	<u>25,963</u>

10 Debtors

	2012 £	Unaudited 2011 £
Trade debtors	32,855	51,814
Other debtors and prepayments	1,664	10,235
Deferred tax asset (see note 12)	-	1,768
	<u>34,519</u>	<u>63,817</u>

Notes (continued)

11 Creditors: amounts falling due within one year

	2012 £	Unaudited 2011 £
Trade creditors	35,300	31,991
Amounts owing to group undertakings		
Parent Company	14,753	-
Fellow subsidiary undertakings	13,820	-
Other creditors including taxation and social security	20,197	47,133
Accruals	1,210	-
	<u>85,280</u>	<u>79,124</u>

Other creditors including taxation and social security comprise

Corporation tax	20,197	-
Social security	-	2,987
Other creditors	-	44,146
	<u>20,197</u>	<u>47,133</u>

12 Deferred tax asset

	Deferred taxation £
At beginning of year (included within debtors) - unaudited	1,768
Charge for the year	(1,768)
At end of year	<u>-</u>

The amount provided for deferred taxation is set out below

	2012 £	Unaudited 2011 £
Losses carried forward	-	1,768

13 Called up share capital

	2012 £	Unaudited 2011 £
<i>Allotted, called up and fully paid</i>		
860 ordinary shares of £1 each	860	860

Notes (continued)

14 Reserves

	Profit and loss account £
At beginning of year (unaudited)	86,986
Profit for the financial year	64,820
At end of year	151,806

15 Reconciliation of movements in shareholder's funds

	2012 £	Unaudited 2011 £
Profit/(loss) for the financial periods	64,820	(42,523)
Dividends	-	(2,580)
Net addition to shareholder's funds/(deficit)	64,820	(45,103)
Opening shareholder's funds	87,846	132,949
Closing shareholder's funds	152,666	87,846

16 Commitments

Capital commitments contracted for at 30 April 2012 were £Nil (2011 £Nil - unaudited)

17 Contingencies

The Company is jointly and severally liable for value added tax due by other members of the Group amounting to £Nil (2011 £Nil - unaudited)

18 Related parties

By virtue of being a wholly owned subsidiary included in the consolidated financial statements of a larger EU Group, the Company is exempt from disclosing transactions or balances with other entities of the Group qualifying as a related party

19 Holding Company

Goodwin PLC, a Company incorporated in Great Britain, is the ultimate holding Company

Copies of the Group financial statements are available from the Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ