

**SANDFORD PLC**  
**(formerly Media Steps Group PLC)**

Report of the Directors and Financial Statements

For the year ended 31 March 2007

Registered Number: 5353387 (England & Wales)

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for the year ended 31 March 2007

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**Company Information**  
for the year ended 31 March 2007

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<b>Directors</b>	Paul Foulger Adam Reynolds Neil McClure
<b>Secretary</b>	Paul Foulger
<b>Registered office</b>	5th Floor 17 Hanover Square London W1S 1HU
<b>Registered number</b>	5353387 (England & Wales)
<b>Nominated Adviser and Broker</b>	Beaumont Cornish Limited 5th Floor 10-12 Copthall Avenue EC2R 7DE
<b>Auditors</b>	Kingston Smith LLP Chartered Accountants and Registered Auditors Devonshire House 60 Goswell Road London EC1M 7AD
<b>Bankers</b>	Bank of Scotland plc 38 Threadneedle Street London EC1M 7AD

**CHAIRMAN'S STATEMENT**  
**for the year ended 31 March 2007**

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I am pleased to report on our results for the 12 months ended 31 March 2007, a period which has seen very significant changes in our activities. We have also separately announced today the proposed acquisition of Wilton International Consulting Limited which, through its wholly owned subsidiary TSE Consulting SA, is one of the leading providers of international sports consultancy services.

Following the disappointment of having to dispose of the Group's trading activities in June 2006 in order to prevent the Company from becoming insolvent, significant efforts went into both containing and minimising actual and potential liabilities. In addition, we undertook a rigorous review of funding alternatives going forward.

New investors were eventually forthcoming in December at which time arrangements were concluded with the Group's principal creditors. These changes were all approved by Shareholders in a General Meeting held in March 2007, heralding the way for a new future.

Subsequently, the Group raised additional finance to enable us to attract a suitable Company acquisition

The results for last year reflect principally the release of provisions made at the time of the last Report and Accounts and the effect of agreeing a reduction in the amount repayable to the Loan Note holders.

I would take the opportunity of thanking our shareholders for their patience in difficult times, my colleagues who left the Board in December and March for their tireless efforts and support and our new Directors Adam Reynolds and Paul Foulger for providing us with the opportunity to plan for the future with some certainty and with a stable financial background.

**Neil McClure**  
*Chairman*

**REPORT OF THE DIRECTORS**  
**for the year ended 31 March 2007**

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The directors have pleasure in presenting their report and financial statements for the year to 31 March 2007.

**Principal activities and business review**

The principal activities of the group were previously as a business that displays advertising on stair-risers of individual steps, comprising flights of stairs in public places, either in the style of a poster or repeating message displays.

On 30 June 2006, the company sold its two main operating subsidiaries, Media Steps (UK) Limited and Media Steps (Sports) Limited for the total sum of £1.

Following the sale of the media advertising companies, the principal activity became that of an investment company.

On 26 March 2007 Media Steps Group PLC changed its name to Sandford PLC.

Pending the acquisition of a trading business, the Directors do not consider that any further narrative concerning risks, uncertainties and key performance indicators to be relevant at the present time.

**Results and dividends**

The consolidated profit and loss account for the year is set out on page 9. No dividends will be distributed for the year ended 31 March 2007.

**Directors and their interests**

The directors who served the company during the period together with their interests (including family interests) in the shares of the company and other group companies at the beginning (or subsequent date of appointment) and end of the period, were as follows;

		<b>Ordinary shares of 0.1p each</b>	
		<b>31 March 2007</b>	<b>31 March 2006</b>
Ian Russell	(resigned 27 March 2007)	1,199,999	1,199,999
Roger Bateman	(resigned 27 March 2007)	5,966,000	5,966,000
Mike Cornwell	(resigned 27 March 2007)	2,000,000	2,000,000
Anthony Jansen	(resigned 20 December 2006)	8,286,667	8,286,667
James Farmer	(resigned 3 August 2006)	2,000,000	2,000,000
Neil McClure		83,333	83,333
Paul Foulger	(appointed 27 March 2007)	37,500,000	–
Adam Reynolds	(appointed 27 March 2007)	37,500,000	–

**Creditor payment policy**

The company's current policy concerning the payment of trade creditors is to;

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

**Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Kingston Smith LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

**REPORT OF THE DIRECTORS**

for the year ended 31 March 2007 *(continued)*

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**Disclosure of information to the auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors 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.

On behalf of the Board

**Paul Foulger**

*Director*

5th Floor  
17 Hanover Square  
London W1S 1HU  
26 July 2007

## **DIRECTORS' RESPONSIBILITIES & REPORT OF THE AUDITORS**

### **for the year ended 31 March 2007**

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#### **Statement of Directors' responsibilities**

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 group and of the profit or loss of the group 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; state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and prepare the financial statements on a going concern basis unless it is inappropriate to assume the group 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 the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Independent Auditors' Report to the Shareholders of Sandford PLC**

We have audited the financial statements of Sandford plc for the year ended 31 March 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes. These financial statements have been prepared under 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**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & 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 Report of the Directors 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 other information contained in the Annual Report and consider whether it is inconsistent with the audited financial statements. The 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 audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK & 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.

## **DIRECTORS' RESPONSIBILITIES & REPORT OF THE AUDITORS**

**for the year ended 31 March 2007** *(continued)*

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We planned 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.

However, because the subsidiary undertakings' financial statements had not been audited for the comparative period due to their having been disposed of on 30 June 2006, when reporting on the Group's financial statements for the period ended 31 March 2006 we were unable to state that the financial statements of the Group gave a true and fair view of the state of affairs as at 31 March 2006 and of the loss for the year then ended. We were able to state however, that, in our opinion the financial statements of the parent company gave a true and fair view of the state of its affairs as at 31 March 2006 and had been properly prepared in accordance with the Companies Act 1985.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Qualified opinion arising from limitation in audit scope**

Except for the financial effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the accuracy of the subsidiary undertakings' financial statements for the comparative period, in our opinion the financial statements:

- give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

In respect solely of the limitation on our work relating to the subsidiary undertakings for the comparative period:

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- We were unable to determine whether proper accounting records had been maintained.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

### **Kingston Smith LLP**

*Chartered Accountants and Registered Auditors*

Devonshire House  
60 Goswell Road  
London EC1M 7AD  
26 July 2007



**CONSOLIDATED INCOME STATEMENT**  
**for the year ended 31 March 2007**

	Notes	Year to 31.03.07 £	Period to 31.03.06 £
Group Revenue		–	172,949
Operating costs		<u>(124,730)</u>	<u>(1,079,030)</u>
<b>Operating loss</b>	3	(124,730)	(906,081)
Finance revenue		–	24,101
Finance costs	4	–	(11,176)
Loss on sale of tangible assets		–	(500)
Settlement of liabilities	5	<u>247,500</u>	<u>–</u>
<b>Profit/(loss) before tax</b>		122,770	(893,656)
Taxation	6	–	–
Discontinued activities	7	<u>104,243</u>	<u>(1,232,443)</u>
<b>Profit/(loss) for the year</b>		<u><u>227,013</u></u>	<u><u>(2,126,099)</u></u>
Earnings/(Loss) per share (basic & diluted)		<u><u>0.3p</u></u>	<u><u>(2.9)p</u></u>

**CONSOLIDATED BALANCE SHEET**

as at 31 March 2007

	Notes	At 31.03.07 £	At 31.03.06 £
<b>Non-current assets</b>			
Intangible assets	8	–	171,438
Tangible assets	9	–	221,145
<b>Current assets</b>			
Trade and other receivables	10	12,631	79,047
Cash and cash equivalents		203,871	320,918
		<u>216,502</u>	<u>399,965</u>
<b>Current liabilities</b>			
Trade and other payables	11	(54,553)	(251,069)
		<u>161,949</u>	<u>148,896</u>
<b>Net current assets</b>			
		<u>161,949</u>	<u>541,479</u>
<b>Total assets less current liabilities</b>			
		<u>161,949</u>	<u>541,479</u>
<b>Non-current liabilities</b>			
Long term payables	12	–	(347,953)
Provision for liabilities and charges	13	(50,000)	(577,310)
		<u>111,949</u>	<u>(383,784)</u>
<b>Net assets</b>			
		<u>111,949</u>	<u>(383,784)</u>
<b>Equity</b>			
Issued share capital	14	1,000,000	720,000
Share premium account		1,011,035	1,022,315
Retained losses		(1,899,086)	(2,126,099)
		<u>111,949</u>	<u>(383,784)</u>
<b>Shareholders' funds</b>			
		<u>111,949</u>	<u>(383,784)</u>

The financial statements were approved by the Board of Directors on 26 July 2007.

**Paul Foulger**

*Director*

**COMPANY BALANCE SHEET**

as at 31 March 2007

	Notes	At 31.03.07 £	At 31.03.06 £
<b>Current assets</b>			
Trade and other receivables	10	12,631	162,010
Cash and cash equivalents		203,871	140
		<u>216,502</u>	<u>162,150</u>
<b>Current liabilities</b>			
Trade and other payables	11	(54,553)	(5,934)
		<u>161,949</u>	<u>156,216</u>
<b>Net current assets</b>			
		<u>161,949</u>	<u>156,216</u>
<b>Total assets less current liabilities</b>			
		<u>161,949</u>	<u>156,216</u>
<b>Non-current liabilities</b>			
Long term payables	12	–	(330,000)
Provision for liabilities and charges	13	(50,000)	(210,000)
		<u>111,949</u>	<u>(383,784)</u>
<b>Net assets</b>			
		<u>111,949</u>	<u>(383,784)</u>
<b>Equity</b>			
Issued share capital	14	1,000,000	720,000
Share premium account		1,011,035	1,022,315
Retained losses		(1,899,086)	(2,126,099)
		<u>111,949</u>	<u>(383,784)</u>
<b>Shareholders' funds</b>			
		<u>111,949</u>	<u>(383,784)</u>

The financial statements were approved by the Board of Directors on 26 July 2007.

**Paul Foulger**

*Director*

**CASH FLOW STATEMENT**  
 for the year ended 31 March 2007

	<b>Year to 31.03.07</b>	<b>Period to 31.03.06</b>
	<b>£</b>	<b>£</b>
<b>Cash flow from operating activities</b>		
Profit/(loss) before taxation	(124,730)	(906,081)
<b>Adjusted for:</b>		
Depreciation of tangible assets	–	59,164
Amortisation of intangible assets	–	5,000
(Increase)/decrease in trade and other receivables	66,416	(77,797)
(Decrease)/increase in trade payables	(224,513)	210,976
Tax refunded/(paid)	–	(1,250)
<b>Net cash from operating activities</b>	<u>(282,827)</u>	<u>(709,988)</u>
<b>Cash flows from investing activities</b>		
Receipts from disposal of subsidiaries	1	–
Cash expended on discontinued activities of subsidiaries	(20,112)	–
Acquisitions	–	(400,000)
Goodwill written off	–	(655,133)
Interest received	–	24,101
Interest paid	–	(11,176)
Receipts from sales of tangible assets	–	470
<b>Net cash inflow/(outflow) from investing activities</b>	<u>(20,111)</u>	<u>(1,041,738)</u>
<b>Cash flows from financing activities</b>		
Issue of shares (net of issue costs)	268,720	1,742,315
Redemption of loan notes/new loan notes issued	(82,500)	330,000
<b>Net cash used in financing activities</b>	<u>186,220</u>	<u>2,072,315</u>
<b>Net increase in cash &amp; cash equivalents</b>	(116,718)	320,589
<b>Cash &amp; cash equivalents at 01.04.06</b>	<u>320,589</u>	–
<b>Cash &amp; cash equivalents at 31.03.07</b>	<u><u>203,871</u></u>	<u><u>320,589</u></u>

**STATEMENT OF CHANGES IN EQUITY**  
 for the year ended 31 March 2007

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	<b>Share Capital</b>	<b>Share premium</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
Balance at the beginning of the year	720,000	1,022,315	(2,126,099)	(383,784)
Profit for the period	–	–	227,013	227,013
Issue of share capital	280,000	(11,280)	–	268,720
At 31.03.07	<u>1,000,000</u>	<u>1,011,035</u>	<u>(1,899,086)</u>	<u>111,949</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2007**

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**1. GENERAL INFORMATION**

Sandford plc is a public limited company incorporated in the United Kingdom under the Companies Act 1985 (Registration Number 5353387). The address of the registered office is given on page 3.

As disclosed in the Report of the Directors, the principal activities of the Group were that of advertising, up to the date the trading subsidiaries were sold, from which time the principal activity became that of an investment company.

**STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and their interpretations issued or adopted by the International Accounting Standards Board as adopted for use in the European Union ("IFRS").

These are the Company's first financial statements prepared under IFRSs and IFRS1 "First Time Adoption of IFRS" has been applied. An explanation of how the transition from UK Generally Accepted Accounting Principles (UK GAAP) to IFRSs has affected the reported financial position, financial performance and cashflows of the Company is provided in Note 16.

**ACCOUNTING POLICIES**

(a) ***Basis of preparation of the financial statements***

The financial statements have been prepared in accordance with International Financial Reporting Standards including standards and interpretations issued by the International Accounting Standards Board, and have been prepared using the historical cost convention.

The financial statements are prepared in Pounds Sterling rounded to the nearest pound.

Following the disposal of the trading subsidiaries the directors have been engaged in successful discussions pursuing alternative sources of finance.

(b) ***Basis of consolidation***

The consolidated income statement and balance sheet include the financial statements of the company up to 31 March 2007. The results of subsidiaries sold or acquired are included in the income statement up to, or from, the date control passes.

(c) ***Depreciation***

Depreciation on fixed assets is provided at rates estimated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	20% reducing balance
Computer equipment	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

(d) ***Cash and cash equivalents***

Cash and cash equivalents comprise current bank balances which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the cash flow statement.

(e) ***Revenue***

Revenue represents the invoiced value of goods and services provided net of valued added tax.

(f) ***Deferred tax***

Deferred tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2007 (continued)

relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

(g) **Goodwill**

Goodwill is determined by comparing the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets, and is written off over its estimated economic life.

(h) **Patents**

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual over their estimated useful life of 20 years.

(i) **Leasing commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### 2. STAFF COSTS

	<b>Year to 31.03.07</b>	<b>Period to 31.03.06</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	–	232,291
Directors Remuneration	57,061	212,740
Social Security costs	6,515	26,048
	<u>63,576</u>	<u>471,079</u>

The average monthly number of employees was as follows:

	<b>Year to 31.03.07</b>	<b>Period to 31.03.06</b>
	<b>No.</b>	<b>No.</b>
Administration (including Directors)	<u>5</u>	<u>11</u>

### 3. OPERATING LOSS

The operating loss is stated after charging:

	<b>Year to 31.03.07</b>	<b>Period to 31.03.06</b>
	<b>£</b>	<b>£</b>
Auditors remuneration – audit	<u>7,500</u>	<u>7,500</u>

### 4. FINANCE COSTS

	<b>Year to 31.03.07</b>	<b>Period to 31.03.06</b>
	<b>£</b>	<b>£</b>
Bank interest	–	1,362
Loan interest	–	9,814
	<u>–</u>	<u>11,176</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2007 (continued)

**5. SETTLEMENT OF LIABILITIES**

	<b>Year to 31.03.07</b>	<b>Period to 31.03.06</b>
	£	£
Amounts waived on redemption of loan notes	247,500	–

**6. TAXATION**

	<b>Year to 31.03.07</b>	<b>Period to 31.03.06</b>
	£	£
<b>Analysis of charge in the year:</b>		
Current tax	–	–

The tax assessed for the year differs from the standard rate of corporation tax in the UK at 30%. The differences are explained below:

	<b>Year to 31.03.07</b>	<b>Period to 31.03.06</b>
	£	£
Profit/(Loss) before tax	277,013	(2,126,099)
Profit/Loss before tax multiplied by the standard rate of corporation tax in the UK of 30%	83,104	(637,830)
Tax losses and disallowable items	(83,104)	637,830
	–	–

The total amount of unused tax losses for which no deferred tax asset is recognised in the balance sheet is approximately £160,000 (2006 – £495,000).

**7. DISCONTINUED ACTIVITIES**

	<b>Year to 31.03.07</b>	<b>Period to 31.03.06</b>
	£	£
Provision for loss on disposal of subsidiaries	20,112	367,310
Goodwill written off	–	655,133
Potential claim for breach of contract – see note 13	(124,355)	210,000
	(104,243)	1,232,443

There is no difference between the pre-tax and post-tax credit/charge to the income statement in relation to discontinued activities.



**NOTES TO THE FINANCIAL STATEMENTS**  
 for the year ended 31 March 2007 (continued)
**8. INTANGIBLE FIXED ASSETS – GROUP**

	<b>Patents</b>	<b>Goodwill</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 4 February 2005	–	–	–
Additions	176,438	655,133	831,571
At 1 April 2006	176,438	655,133	831,571
Disposals	(176,438)	(655,133)	(831,571)
At 31 March 2007	–	–	–
<b>Amortisation</b>			
At 4 February 2005	–	–	–
Charge for the period	5,000	–	5,000
Written off against reserves	–	655,133	655,133
At 1 April 2006	5,000	655,133	660,133
Disposals	(5,000)	(655,133)	(660,133)
At 31 March 2007	–	–	–
<b>Net Book Value</b>			
At 31 March 2006	171,438	–	171,438
At 31 March 2007	–	–	–

Goodwill was disposed of in the year on the sale of the subsidiary companies.

**9. TANGIBLE ASSETS – GROUP**

	<b>Plant and machinery</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
		£	£	£
<b>Cost</b>				
At 4 February 2005	–	–	–	–
Additions	261,741	5,264	14,274	281,279
Disposals	(970)	–	–	(970)
At 1 April 2006	260,771	5,264	14,274	280,309
Disposals	(260,771)	(5,264)	(14,274)	(280,309)
At 31 March 2007	–	–	–	–
<b>Depreciation</b>				
At 4 February 2005	–	–	–	–
Charge for the period	54,189	1,407	3,568	59,164
At 1 April 2006	54,189	1,407	3,568	59,164
Disposals	(54,189)	(1,407)	(3,568)	(59,164)
At 31 March 2007	–	–	–	–
<b>Net Book Value</b>				
At 31 March 2006	206,582	3,857	10,706	221,145
At 31 March 2007	–	–	–	–

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2007 (continued)

**10. TRADE AND OTHER RECEIVABLES – GROUP**

	<b>At</b> <b>31.03.07</b> £	<b>At</b> <b>31.03.06</b> £
Trade debtors	–	28,437
Corporation tax	–	1,250
Other debtors	–	23,169
Prepayments and accrued income	12,631	26,191
	<u>12,631</u>	<u>26,191</u>
	<u>12,631</u>	<u>79,047</u>

**TRADE AND OTHER RECEIVABLES – COMPANY**

	<b>At</b> <b>31.03.07</b> £	<b>At</b> <b>31.03.06</b> £
Other debtors	–	1,499
Prepayments and accrued income	12,631	–
Amount due from subsidiary	–	160,511
	<u>12,631</u>	<u>162,010</u>

**11. TRADE AND OTHER PAYABLES – GROUP**

	<b>At</b> <b>31.03.07</b> £	<b>At</b> <b>31.03.06</b> £
Bank loans and overdrafts	–	40,329
Net obligations under finance lease and hire purchase contracts	–	3,087
Trade creditors	27,053	137,164
Taxes and social security costs	–	44,161
Other creditors	20,000	549
Accrued expenses	7,500	25,779
	<u>54,553</u>	<u>251,069</u>

**TRADE AND OTHER PAYABLES – COMPANY**

	<b>At</b> <b>31.03.07</b> £	<b>At</b> <b>31.03.06</b> £
Trade creditors	27,053	934
Other creditors	20,000	–
Accrued expenses	7,500	5,000
	<u>54,553</u>	<u>5,934</u>

**12. LONG TERM PAYABLES – GROUP**

	<b>At</b> <b>31.03.07</b> £	<b>At</b> <b>31.03.06</b> £
Amounts falling due after one year:		
Bank loan – included in current liabilities	–	16,667
Loan notes – wholly repayable within 5 years	–	330,000
Net obligations under finance lease and hire purchase agreements	–	1,286
	<u>–</u>	<u>347,953</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2007 (continued)

**LONG TERM PAYABLES – COMPANY**

	At 31.03.07 £	At 31.03.06 £
Amounts falling due after one year:		
Loan notes – wholly repayable within 5 years	–	330,000

**13. PROVISION FOR LIABILITIES & CHARGES – GROUP**

	At 31.03.07 £	At 31.03.06 £
Provision for loss on disposal of subsidiaries	–	367,310
Provision for claim for breach of contract (see below)	50,000	210,000
	<u>50,000</u>	<u>577,310</u>

**PROVISION FOR LIABILITIES & CHARGES – COMPANY**

	At 31.03.07 £	At 31.03.06 £
Provision for claim for breach of contract (see below)	50,000	210,000

At 31 March 2006, a provision was made to allow for a potential claim for breach of contract (see note 7) regarding J E Farmer, a former Director of the company. During the year an amount of £35,645 was paid in relation to this claim and the Directors consider that it is appropriate to maintain a provision of £50,000 until the claim is finally concluded. The balance of the provision, £124,355, has been released during the year under review.

**14. SHARE CAPITAL**

	At 31.03.07 £	At 31.03.06 £
Authorised:		
1,352,000,000 Ordinary shares of 0.1p each (previously 100,000,000 Ordinary shares of 1p each)	1,352,000	1,000,000
72,000,000 Deferred shares of 0.9p each	648,000	–
	<u>2,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid:		
352,000,000 Ordinary shares of 0.1p each (previously 72,000,000 Ordinary shares of 1p each)	352,000	720,000
72,000,000 Deferred shares of 0.9p each	648,000	–
	<u>1,000,000</u>	<u>720,000</u>

During the year the issued share capital of the company was subdivided, each Ordinary 1p share being subdivided into 1 new Ordinary share of 0.1p each and 1 new Deferred share of 0.9p each, with the authorised share capital being increased to £2,000,000.

During the year 280,000,000 shares were issued at the value of 0.1p each, raising £280,000.

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2007 (continued)

**15. EARNINGS PER SHARE**

The basic earnings per share is calculated by dividing the profit for the financial year attributable to shareholders by the weighted average number of shares in issue.

	<b>Year ended 31.03.07 Number</b>	<b>Period ended 31.03.06 Number</b>
Weighted average number of shares	72,460,300	72,000,000
	<b>£</b>	<b>£</b>
Profit/(loss) for the year/period	227,013	(2,126,099)
Basic earnings per share	0.3p	(2.9)p

Basic earnings per share and diluted earnings per share are the same as there are no dilutive instruments in existence at the year end date.

**16. EXPLANATION OF TRANSITION TO IFRS**

This is the first period that the Company has presented its financial statements under IFRS. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2007, the comparative information presented in these financial statements for the period ended 31 March 2006 and in preparation of an opening IFRS Balance Sheet as at 1 April 2006 (the Company's date of transition to IFRS).

Paragraph 38 of IFRS1 states that there needs to be reconciliations between the company's equity as is under UK GAAP and as it is under IFRS, as well as a reconciliation of the profit and loss and any impairment losses. The figures in the financial statements, specifically the areas mentioned above, remain the same under IFRS as under UK GAAP.

**17. RELATED PARTY TRANSACTIONS**

During the year Media Steps Group PLC changed its name to Sandford PLC, following the sale of the two trading subsidiaries for a total consideration of £1.

As disclosed in note 7, the company has written off £20,112 (2006: £367,310) relating to inter-company balances due from its subsidiary companies, Media Steps (UK) Limited and Media Steps (Sports) Limited.

Both subsidiaries were disposed of for £1 on 30 June 2006.

**18. POST BALANCE SHEET EVENTS**

On 18 April 2007 the Group placed 141,900,000 Ordinary shares of nominal value 0.1 pence each with a number of investors at a price of 0.75 pence per Ordinary Share to raise a total of £1,064,250 before expenses.

**19. PROFIT ACCOUNTED FOR IN THE PARENT COMPANY**

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent Company is not presented as part of the financial statements. The parent Company's profit for the financial year was £227,013 (2006: loss £2,126,099).

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# SANDFORD PLC

*(Incorporated in England and Wales with Registered Number: 5353387)*

## NOTICE OF ANNUAL GENERAL MEETING

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**NOTICE** is hereby given that the 2007 Annual General Meeting of Sandford Plc (the “Company”) will be held at the offices of Fasken Martineau Stringer Saul LLP, 17 Hanover Square, London W1S 1HU on 20 August 2007 at 10.00 a.m. to transact the following business:

### **ORDINARY BUSINESS**

1. To receive and adopt the Directors’ Report, the Audited Statement of Accounts and Auditors’ report for the year ended 31 March 2007.
2. To re-elect Neil James McClure as a director who retires by rotation pursuant to the Articles of Association of the Company.
3. To re-elect Adam Reynolds as a director who is offering himself for re-election in accordance with the Articles of Association of the Company.
4. To re-elect Paul Andrew Peter Foulger as a director who is offering himself for re-election in accordance with the Articles of Association of the Company.
5. To reappoint Messrs Kingston Smith LLP as the auditors of the Company and to authorise the Directors to determine their remuneration.

By Order of the Board

Paul Andrew Peter Foulger  
*Secretary*

*Registered office:*  
14 Kinnerton Place South  
London SW1X 8EH

27 July 2007

### Notes

1. A member of the Company who is entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote in his or her place. A proxy need not be a member of the Company.
2. Any corporation which is a member of the Company may authorise a person (who need not be a member of the Company) to act as its representative to attend, speak and vote (on a show of hands or a poll) on its behalf.
3. A pre-paid form of proxy is enclosed. To be valid, the form of proxy (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such authority) must be posted or delivered by hand to the office of the Company’s registrars, SLC Registrars Limited, 42-46 High Street, Esher, Surrey, KT10 9QY not later than 48 hours before the time of commencement of the meeting. Completion of the proxy form will not affect the right of such a member to attend and vote at the meeting.
4. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders of the Company on the register at 6.00 p.m. on 18 August 2007 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend and/or vote at the meeting.
5. *Electronic communication*

Members who wish to communicate with the Company by electronic means in connection with the matters set out in this notice of annual general meeting may do so by contacting the Company at paul@hansardgroup.co.uk not later than 48 hours before the time of commencement of the meeting.

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# SANDFORD PLC

(Registered Number: 5353387)

## FORM OF PROXY FOR THE 2007 ANNUAL GENERAL MEETING

I/We .....

of .....

being a member(s) of Sandford Plc hereby appoint ...../the Chairman of the Meeting (*delete as appropriate*), as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the offices of Fasken Martineau Stringer Saul LLP, 17 Hanover Square, London W1S 1HU on 20 August 2007 at 10.00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the appropriate space how you wish your votes to be cast.

	For	Against	Vote Withheld*	Discretionary**
<b>Ordinary Resolutions</b>				
1 to receive and adopt the Director's Report, the Audited Statement of Accounts and Auditor's Report for the year ended 31 March 2007;				
2 To re-elect Neil James McClure as a director;				
3 To re-elect Adam Reynolds as a director;				
4 To re-elect Paul Andrew Peter Foulger as a director;				
5 To reappoint Messrs Kingston Smith LLP as auditors and to authorise the Directors to determine their remuneration.				

\* The "Vote Withheld" option is to enable you to abstain on any of the specified resolutions. Please note that a "Vote Withheld" has no legal effect and will not be counted in the votes "For" and "Against" a resolution.

\*\* If you select "Discretionary" or fail to select any of the given options, the proxy is authorised to vote (or abstain from voting) at his or her discretion on the specified resolutions. The proxy is also authorised to vote (or abstain from voting) on any other business which may properly come before the meeting.

Dated this ..... day of ..... 2007

Signature(s) or common seal .....

Notes:

1. A proxy need not be a member of the Company.
2. If you do not indicate how you wish your proxy to use your vote on any particular matter, the proxy will exercise his/her discretion as to how he/she votes and as to whether or not he/she abstains from voting.
3. In the case of a corporation this form of proxy must be executed under the seal or under the hand of an officer or attorney duly authorised in writing.
4. Forms of proxy, to be valid, must be signed and must be lodged, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, with the Company's registrars, SLC Registrars Limited, 42-46 High Street, Esher, Surrey KT10 9QY, not later than 48 hours before the time appointed for the Meeting.
5. In the case of joint holders, the signature of any one of them will suffice, but if a holder other than the first-named holder signs, it will help the Registrars if the name of the first-named holder is given.
6. Any alteration to this form must be initialled.
7. Completion and return of this form of proxy does not preclude a member from subsequently attending and voting at the Meeting.



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BUSINESS REPLY SERVICE  
Licence No. KT 4645



SLC Registrars Limited  
42-46 High Street  
Esher  
Surrey  
KT10 9BR

1st FOLD

2nd FOLD









