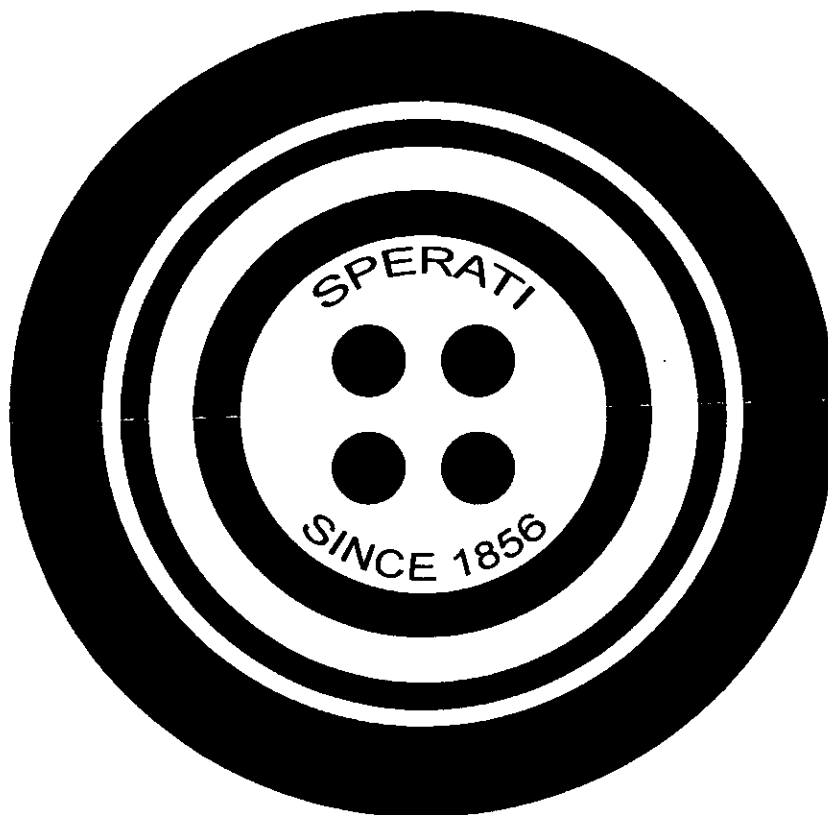


C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2008



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C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

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C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

COMPANY INFORMATION

Directors: J B A Alexander Non-Executive Chairman
A J Lilley Managing Director
V Beeny

Secretary: V Beeny

Company Number: 00092343 (England and Wales)

Registered Office: 54 Westcombe Hill
Greenwich
London
SE10 0LR

Auditors: Baker Tilly UK Audit LLP
Registered Auditor
Chartered Accountants
First Floor
46 Clarendon Road
Watford
WD17 1JJ

C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2008**

The Directors' submit their report and the financial statements of C. A. Sperati (The Special Agency) P.L.C. for the year ended 31 October, 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to trade as Button and Trimming Merchants.

REVIEW OF THE BUSINESS

Turnover has fallen by 16% compared with the same period last year. Margins have decreased, resulting in a loss before tax of £18,017 against £37,116 profit in the previous year.

The small but promising increase in turnover seen during the first half of the year was not maintained owing to the very difficult trading conditions in the second half of the year. These difficult conditions show little sign of improving and indeed, are aggravated by the increased cost of imports resulting from the sterling weakness.

Your directors are recommending that the dividend be maintained at 25p per share as the company has a strong balance sheet with ample liquidity.

POLICY ON PAYMENT OF SUPPLIERS

The Company's policy is to agree terms of payment with suppliers and abide by those terms subject to timely submission of acceptable invoices. Where prompt payment settlement discount is available it is the Company's policy to settle accounts whenever possible within the discount period.

At the year end, the amounts owing to Trade Creditors represented an average of 26 days supplies (2007: 29 days).

RISK MANAGEMENT

Apart from purchasing Standard Life shares at floatation, at a beneficial rate, it is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

The Company's policy is to maximise the after tax return on cash deposits, to take all discounts available from the settlement of financial liabilities and to offer settlement discounts, that result in the early payment of financial assets, thus minimising credit risk.

The company has little exposure to cash flow, liquidity and price risk.

The company is exposed to credit risk through its trade debtors and bank deposits. It is also exposed to foreign currency risk as the majority of trade creditors are denominated in US Dollars or Euros.

RESULTS AND DIVIDENDS

The trading loss for the year after taxation was £16,838 (2007: £31,290 profit).

During the year a dividend of 25 pence per share was paid in relation to the year ended 31 October, 2007. The Board is recommending a dividend on the ordinary shares of 25 pence per share (amounting to £25,000), in relation to the year ended 31 October, 2008. This recommendation is given with the awareness of the year end results, cash requirements for the coming year and the possible continued reduction in bank interest rates.

DIRECTORS

The following directors have held office since 1 November, 2007

J B A Alexander
A J Lilley
J Atkinson
V Beeny

Non-Executive Chairman
Managing Director
Non-Executive (Deceased 15 June 2008)

C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2008

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Directors' interests in the shares of the company, including family interests, were as follows:

	At 31 October, 2008 Ordinary Shares of 50p each	At 1 November, 2007 Ordinary Shares of 50p each
J B A Alexander	31,434	31,434
J Atkinson (Deceased)	200	200
A J Lilley	-	-
V Beeny	-	-

No Director has any non beneficial interest in the shares of the company.

During the period 1 November, 2008 and 17 February, 2009, the Directors Mr A Lilley and Ms V Beeny have both acquired 100 Ordinary Shares.

No significant contracts subsisted during or at the end of the financial year in which any of the Directors were, or are, materially interested.

SUBSTANTIAL SHAREHOLDINGS

According to notifications received, the following persons held 3% or more of the company's Issued Share Capital on 17 February 2009.

	Number of Ordinary Shares of 50p each	Percentage of Issued Share Capital
J B A Alexander	31,434	31.43%
Mrs A Nash	31,434	31.43%
Barnard Nominees Limited	15,347	15.35%
Gilt Fund Securities Limited	6,922	6.92%

ENVIRONMENTAL MATTERS

Whilst the Company has little impact on the environment, it realised that caring for the environment is now almost a prerequisite for business and endeavours to continue being aware of its station, particularly on any local issues.

The Company aims to conserve resources by reducing waste and recycling materials wherever possible, appropriate and financially practical and to comply with environmental legislation and continue with the effective use of electricity, oil and water, currently undertaken on a daily basis.

Going forward, C. A. Sperati (The Special Agency) PLC., intend forming an Environmental Committee who will review the company's current circumstances, monitor and implement improvements as deemed necessary, to maintain our position should new legislation, regulations and other codes of practice within our trade change the company's status. The Committees will make all employees aware of any amendments to the environmental policies, as and when made. Staff involvement will be sought and sensible economical feedback utilised.

CORPORATE GOVERNANCE

Details relating to the Governance of the Company are noted below and incorporate matters relating to the recommendations of the Combined Code effective from 1 November, 2007 in so far as appropriate to the size of the Company.

C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2008**

THE BOARD OF DIRECTORS

The Board comprises 2 Executive Directors and 1 Non Executive Director and meets on a regular basis. It has reserved for its consideration and approval of the Company's strategy, major items of capital expenditure and material contracts. In view of the Company's size and the close involvement of the Executive Directors, informal discussions and consultation provides effective control over the day to day running of the Company. However, the Board keeps under review the balance of the board and in view of the Combined Code the requirement for another non executive director.

In the furtherance of their duties and responsibilities, the Directors take as deemed necessary independent legal, accounting and other professional advice at the Company's expense.

Executive Directors' remuneration is subject to the recommendations of the Remuneration Committee, comprising the Non Executive Chairman and the Managing Director.

NON EXECUTIVE DIRECTORS

J B Alexander

Mr Alexander, aged 67 is a merchant banker. He is currently Chairman and Chief Executive of L.C.F. Edmond de Rothschild Securities Limited. Apart from his shareholding, Mr Alexander is independent of the Company's management with no business or other relationship with the Company's trade or connections which could materially influence exercise of his independent judgement.

J Atkinson (Deceased)

Mr Atkinson died on the 15 June, 2008.

DIRECTOR

V Beeny

Ms V Beeny is aged 55. She has worked for C A Sperati (T.S.A.) P.L.C. since joining the company in 1969. She became Company Secretary in 2002 and joined the Board of Directors in September 2005.

MANAGING DIRECTOR

A Lilley

Mr A Lilley is aged 44. He has worked for the company since 2002, prior to which a year was spent in the retail sector working for a Saville Row tailor. Joining the garment industry in 1990, he worked for 11 years as a Manufacturers Agent, dealing with C A Sperati (T.S.A.) P.L.C. on behalf of various suppliers. He was made a director of the company in July 2003 and became Managing Director in January 2006. He is currently the Chairman of the Association of Button Merchants.

REPORTING AND CONTROLS

The Board is fully aware of its duty to present a balanced and understandable assessment of the Company's position.

Detailed reviews of Cash Balances, Debtor Balances and Liabilities are regularly carried out which provides for an effective system of internal control and ensures that a going concern state of affairs will prevail.

The whole Board meets with the Auditors twice a year which has been seen in the past as obviating the need for an Audit Committee to be specifically appointed, however in the light of the Combined Code this matter is kept under review.

The Board's specific responsibilities for reporting to Shareholders and for the Assets of the Company are set out on Page 10.

There is currently no internal audit function as this is not deemed necessary due to the size and nature of organisation.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2008**

STATEMENT OF COMPLIANCE WITH THE COMBINED CODE

The company has not been fully compliant during the year given the needs and size of the business. The directors acknowledge this and keep the matter under consideration.

The main areas of non compliance were:

- Code Provision A.1.2 - the number of board and committee meetings and attendance thereat are not disclosed.
- Code Provision A.1.3 - recommends that the chairman should meet with the non-executive directors without executive directors present. This was not done. The code also recommends that the senior independent director should lead the board in appraising the Chairman's effectiveness on an annual basis. This is not possible because the Company has no independent directors.
- Code Provision A.1.5 - the company does not hold appropriate insurance cover in respect of legal action against its directors.
- Code Provision A.2.2 - the Chairman was not independent on appointment.
- Code Provision A.3.1 to A.3.3 - the board has no independent directors whereas the code requires a minimum of two.
- Code Provision A.4.1 to A.4.6 - there is no nomination committee. Board appointments are considered by the entire Board and appointment procedures dealt with on an individual basis.
- Code Provision A.4.4 - the terms and conditions of appointment of non-executive directors are not available for inspection.
- Code Provision A.6.1 - the code recommends that the board should provide details in the annual report as to how the performance appraisal of the board, committees and individual directors has been conducted. No such disclosure has been made.
- Code Provision A.7.1 - recommends that all the directors should be submitted for re-election at regular intervals, subject to continued satisfactory performance. Currently the managing director is not subject to retirement by rotation as per clause 84 of the company's Memorandum and New Articles of Association as adopted on 29 January, 1953.
- Code Provision A.7.2 - non executive directors are not appointed for specified terms subject to re-election.
- Code Provision B.2.1 - there is a remuneration committee but it is not headed by at least two independent non-executive directors as required by the code.
- Code Provision C.2.1 - the code requires that the directors should undertake an annual review of the effectiveness of the internal controls and to report thereon. No such review was undertaken.
- Code Provisions C.3.1 to C.3.7 require an audit committee to be formed from at least two non-executive directors and give guidance to the operation of and roles and responsibilities of such a committee. The company has no such committee.
- Code Provision D.1.2 - there is no statement as to how the directors, and especially the non-executive directors, develop an understanding of the views of the major shareholders.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2008**

GOING CONCERN

The directors, after due consideration, are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continued to adopt the going concern basis in the preparation of the accounts.

FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENTS

After the exceptional cold spell during the Christmas holidays, we returned to work and found that water had flooded a considerable amount of our working space. This has been very disruptive for many weeks whilst the drying out procedure continues. We are hopeful that all costs will be recovered by insurance.

Following last year's decision and application of sourcing less expensive products for the range, the company continues to implement this procedure.

Trading conditions since the end of this last financial year are more difficult than anyone in the company can remember. The paralysis which has set in amongst many of our customers will show little sign of lifting until they have consumed all their stock. We hope restocking in due course will give rise to new orders but we remain very cautious as to any rapid recovery.

INVESTOR RELATIONS

The Company is committed to the development of open and effective communications with all of its shareholders. The Board uses the Annual General Meeting to communicate with private and institutional investors and welcomes their participation. The Board aims to ensure that all directors are available at Annual General Meetings to answer questions.

FIXED ASSETS

The significant changes in fixed assets during the year are explained in note 8 to the financial statements.

An updated valuation of the freehold property has not been undertaken, but the Directors believe the property is worth considerably more than the book value of £43,716 (2007 £44,786).

TAXATION

The company is a close Company as defined by the Income and Corporation Taxes act 1970.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that 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 it has been communicated to the auditor.

AUDITORS

A resolution to re-appoint Baker Tilly UK Audit LLP as auditors of the company will be put to the members at the Annual General Meeting.

By order of the Board


V BEENY
SECRETARY

17 February 2009

**DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 OCTOBER 2008**

REMUNERATION COMMITTEE

The Committee, comprising the non-executive Chairman (Mr J B A Alexander) and the Managing Director (Mr A J Lilley) confirm that the company has complied with the best practice provisions of the listing rules so far as it is practicable having due regard to the Company's size. The Committee's principal function is to determine the Company's policy on remuneration including Directors' emoluments. Its remit is not restricted to basic salaries but includes consideration of bonuses and benefits.

REMUNERATION POLICY

The Company's policy is to retain and motivate its staff with rewards linked to performance, results and the interest of shareholders. The basic salary element of remuneration is set in relation to responsibilities, length of service and contribution to the Company's activities. Bonus awards are assessed annually taking into account the Company's results.

SHARE OPTIONS (Auditable)

No share option scheme is provided nor is any long term incentive scheme in place.

DIRECTORS' PENSIONS (Auditable)

The company provides a defined contribution and fully insured pension scheme which provides for a pension entitlement at the age of 65.

Pension benefits (representing contributions payable for the year) earned by the directors currently within the Company's scheme are detailed on page 9.

No dependent Pensions or Benefits are provided. Pension increases after retirement are not specifically guaranteed.

Members of the Scheme have the opportunity to pay Additional Voluntary Contributions. Neither the Members Contributions nor the resulting benefits are included in the above mentioned table.

SERVICE CONTRACTS

It is the Company's policy that all employees, directors included have contracts with an indefinite term with one months notice.

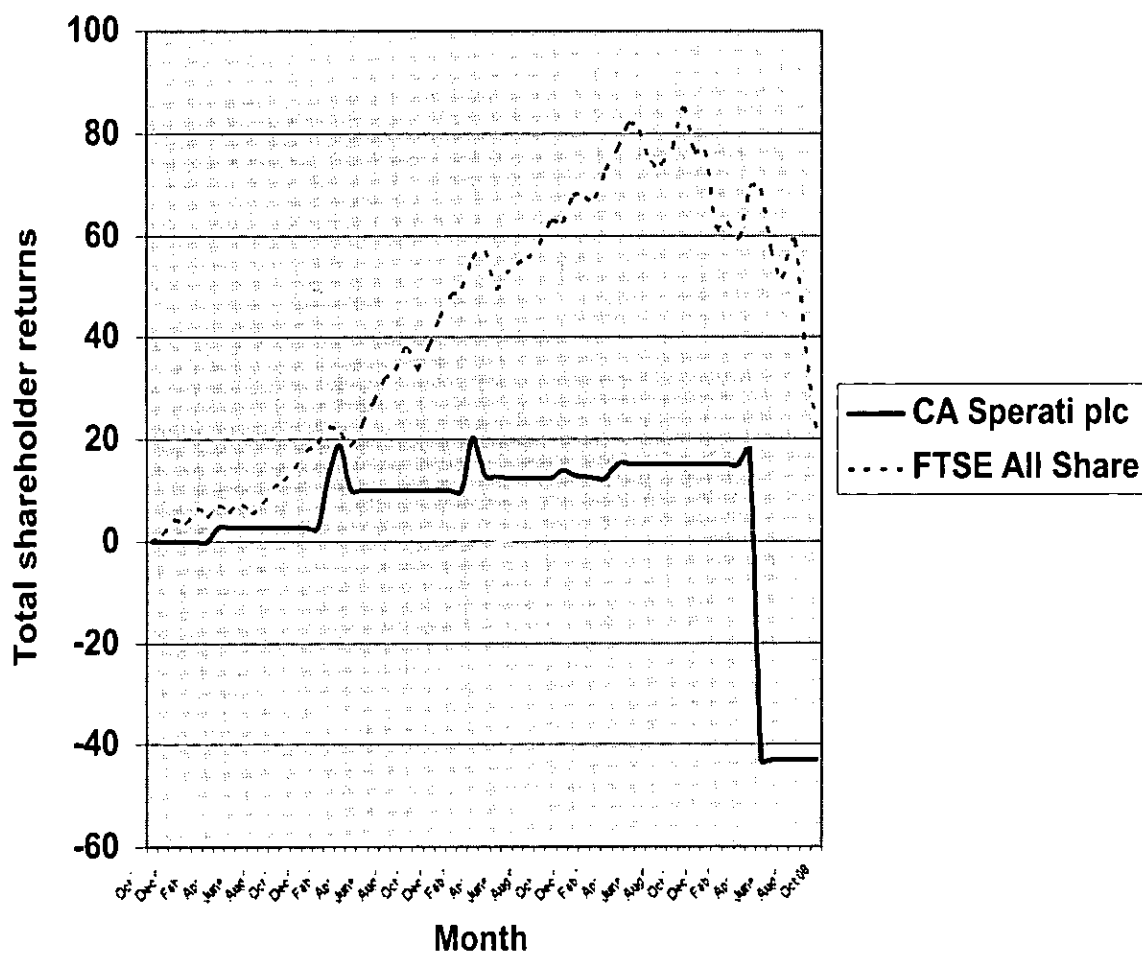
PERFORMANCE GRAPH

The following graph shows the company's performance, measured by total shareholder return, compared with the performance of the FTSE All Share Index also measured by shareholder return which has been selected by the Board as being the most appropriate measure as no readily identifiable benchmark group of companies exists.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2008

Five year history of total returns



C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2008

DIRECTORS REMUNERATION (Auditable)

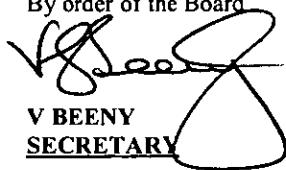
	Salary	Benefits	Bonus	Fees	Pension	2008 Total	2007 Total
	£	£	£	£	£	£	£
V Beeny	32,287	773	2,000	50	1,640	36,750	36,910
A J Lilley	46,638	567	3,000	50	3,173	53,428	54,293
	<u>78,925</u>	<u>1,340</u>	<u>5,000</u>	<u>100</u>	<u>4,813</u>	<u>90,178</u>	<u>91,203</u>

The benefits amounts of £773 and £567 relate only to medical insurance.

RELATED PARTIES TRANSACTIONS

There were no related party transactions during the year.

By order of the Board



V BEENY
SECRETARY

17 February 2009

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
C. A. SPERATI (THE SPECIAL AGENCY) P.L.C. (CONTINUED)**

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 October, 2008 and of its loss for the year then ended;
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985;
- the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP
Registered Auditor
Chartered Accountants
First Floor
46 Clarendon Road
Watford,
WD17 1JJ

17 February 2009

C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2008

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
TURNOVER	1	678,446	808,172
Cost of Sales		(340,773)	(388,380)
Gross Profit		<u>337,673</u>	<u>419,792</u>
Other Operating Expenses	2	(376,107)	(403,463)
OPERATING (LOSS)/PROFIT		<u>(38,434)</u>	<u>16,329</u>
Interest Receivable		20,417	20,787
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>(18,017)</u>	<u>37,116</u>
Taxation	5	1,179	(5,826)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(16,838)</u>	<u>31,290</u>
Loss/earnings per share - basic and fully diluted	7	<u>(16.8p)</u>	<u>31.3p</u>

The operating loss for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

BALANCE SHEET
AS AT 31 OCTOBER 2008

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
FIXED ASSETS			
Tangible Assets	8	74,369	84,012
CURRENT ASSETS			
Stocks	9	245,114	275,884
Debtors	10	125,800	166,311
Investments	11	4,099	4,099
Cash at Bank and in Hand		449,472	446,453
		<u>824,485</u>	<u>892,747</u>
CURRENT LIABILITIES			
CREDITORS:			
Amounts falling due within one year	12	(70,781)	(106,303)
		<u>753,704</u>	<u>786,444</u>
NET CURRENT ASSETS			
		<u>753,704</u>	<u>786,444</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		828,073	870,456
PROVISIONS FOR LIABILITIES AND CHARGES			
	13	(1,011)	(1,556)
NET ASSETS			
		<u>827,062</u>	<u>868,900</u>
CAPITAL AND RESERVES			
Called up Share Capital	14	50,000	50,000
Revaluation Reserve	15	22,128	22,128
Profit and Loss Account	16	754,934	796,772
SHAREHOLDERS' FUNDS			
	17	<u>827,062</u>	<u>868,900</u>

Approved and Authorised for Issue by the Board on 17 February 2009 and signed on its behalf by

A Lilley  Managing Director

V Beeny  Director

C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2008

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
NET CASH IN/(OUTFLOW) FROM OPERATING ACTIVITIES	18	<u>15,993</u>	<u>(8,737)</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest Received		20,191	20,686
Dividends Received		226	101
Net cash inflow from returns on investments and servicing of finance		<u>20,417</u>	<u>20,787</u>
TAXATION			
Corporation tax paid		<u>(7,645)</u>	<u>(7,380)</u>
CAPITAL EXPENDITURE			
Purchase of fixed assets		(746)	(30,061)
Sale of fixed assets		-	3,400
Purchase of Investments		-	-
Net cash outflow from capital expenditure		<u>(746)</u>	<u>(26,661)</u>
EQUITY DIVIDENDS PAID		<u>(25,000)</u>	<u>(25,000)</u>
INCREASE/(DECREASE) IN CASH	18	<u>3,019</u>	<u>(46,991)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT OF NET FUNDS			
Increase/(decrease) in cash in year		3,019	(46,991)
Movement in net funds		<u>3,019</u>	<u>(46,991)</u>
Net funds at 1 November 2007		446,453	493,444
Net funds at 31 October 2008		<u>449,472</u>	<u>446,453</u>

C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 OCTOBER 2008**

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules except for freehold land and buildings which are stated at their historic revalued amounts as detailed below.

The financial statements have been prepared on a consistent basis with prior years.

Listed companies are required to present consolidated financial statements prepared in accordance with International Financial Reporting Standards. However, it is optional as to whether individual company accounts are presented in accordance with International Financial Reporting Standards or UK Generally Accepted Accounting Practice and the company elects to present its financial statements in accordance with UK Generally Accepted Accounting Practice.

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value, over their expected useful life, as follows:

Freehold Properties	2% on valuation
Fixtures, Fittings and Equipment	20% on reducing balance
Motor Vehicles	25% on reducing balance

REVALUATION OF PROPERTIES

The freehold properties were professionally valued on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No. 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors. On adoption of FRS 15 the company followed the transitional provisions to retain the book value of land and buildings which were revalued in 1979 by Messrs Hindwood Clarke & Esplin Limited, Chartered Surveyors. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is based on the average cost of purchase of stock held. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

FOREIGN CURRENCY

Liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies have been recorded at the rate of exchange ruling at the date of the transaction. All differences are taken to the profit and loss account.

**ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2008**

TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred taxation is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is an agreement to sell the asset.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

LEASED ASSETS AND OBLIGATIONS

Leases that are not finance leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

PENSIONS CONTRIBUTIONS

The Company provides a fully insured defined contribution pension scheme. Premiums payable for the year are charged in the profit and loss account.

TURNOVER

Turnover represents the fair value of the consideration received or receivable for goods in the ordinary course of business, and is stated net of value added tax. Turnover is recognised on despatch of the goods to the customer.

ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2008

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company's balance sheet when the company has become a party to the contractual provisions of the instrument.

Trade debtors Trade debtors do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. An allowance is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of trade. The amount of the allowance is the difference between the carrying amount of the trade debtor and the estimated future cash flows and is recognised in the profit and loss account.

Investments Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at cost, including transaction costs.

Current asset investments are stated at the lower of cost and net realisable value.

Trade creditors and accruals Trade creditors are not interest bearing and are stated at their nominal value in the value they are denominated in. Accruals relating to contractual obligations to pay for services already received are recognised on the balance sheet in line with the matching and accruals concepts.

Cash at bank and in hand Cash deposits are recognised and stated at their nominal value.

Equity instruments Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

LIQUID RESOURCES

Liquid resources are money market term deposits, which are immediately available.

C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2008

1. TURNOVER AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and (loss)/profit were all derived from its principal activity undertaken in the United Kingdom.

2. OTHER OPERATING EXPENSES (NET)

	<u>2008</u> £	<u>2007</u> £
Distribution costs and administration expenses	376,107	403,463

3. LOSS/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2008</u> £	<u>2007</u> £
Loss/Profit on ordinary activities before taxation is stated after charging:		
Depreciation and amount written off tangible fixed assets:		
Charge for the year:		
Owned assets	10,389	9,390
Loss on disposals	-	3,072
Loss on foreign exchange transactions	7,501	2,067
Auditor's remuneration		
Statutory audit services - current auditor	24,020	21,900
Other services	-	1,950

The other services work in 2007 relates to general advisory services.

4. EMPLOYEES

	<u>2008</u> No.	<u>2007</u> No.
The average monthly number of persons (including directors) employed by the company during the year was:		
Office Management	4	5
Selling and Distribution	3	4
	<u>7</u>	<u>9</u>
	<u>2008</u> £	<u>2007</u> £
Staff Costs for the above persons:		
Wages and salaries	200,663	217,782
Social security costs	20,250	21,688
Other pension costs - defined contribution scheme	6,113	5,093
	<u>227,026</u>	<u>244,563</u>

C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2008

4.	EMPLOYEES (CONTINUED)	<u>2008</u>	<u>2007</u>
		£	£
	DIRECTORS' REMUNERATION		
	Fees	100	100
	Emoluments for qualifying services	85,265	87,170
	Company pension contributions to money purchase schemes	4,813	3,933
		<u>90,178</u>	<u>91,203</u>
	The number of directors for whom retirement benefits are accruing under money purchase schemes amounted to 2 (2007 2).		
5.	TAXATION	<u>2008</u>	<u>2007</u>
		£	£
	UK Corporation Tax		
	Current tax on (loss)/profit for the year	(2,720)	5,559
	Adjustment for prior years	2,086	-
	Current tax charge	<u>(634)</u>	<u>5,559</u>
	Deferred tax charge	(545)	267
		<u>(1,179)</u>	<u>5,826</u>
	Factors affecting the tax charge for the year		
	(Loss)/Profit on ordinary activities before taxation	<u>(18,017)</u>	<u>37,116</u>
	(Loss)/Profit on ordinary activities before taxation multiplied by the rate of UK Corporation Tax applicable to small companies of 20% (2007 : 20%).	(3,603)	7,423
	Effects of:		
	Non deductible expenses	85	260
	Depreciation/Loss on disposal	2,078	2,492
	Capital Allowances	(1,290)	(2,348)
	Marginal Rate Adjustment	10	(2,268)
	Adjustment for prior year	2,086	-
	Current tax charge	<u>(634)</u>	<u>5,559</u>
6.	DIVIDENDS	<u>2008</u>	<u>2007</u>
		£	£
	Ordinary		
	Final paid in respect of 2007 - 25p per share (2006: 25p per share)	<u>25,000</u>	<u>25,000</u>

The company proposes to pay a final dividend in respect of the year ended 31 October 2008 of 25p per share, totalling £25,000 subject to approval by the members.

C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2008

7. EARNINGS PER ORDINARY SHARE

The calculation of earnings per ordinary share is based on loss on ordinary activities after taxation of £16,838 (2007 profit £31,290) and on 100,000 ordinary shares in issue throughout the whole of the year.

There are no share options or other potentially dilutive items, so diluted earnings per share is the same as the basic earnings per share.

8. TANGIBLE FIXED ASSETS

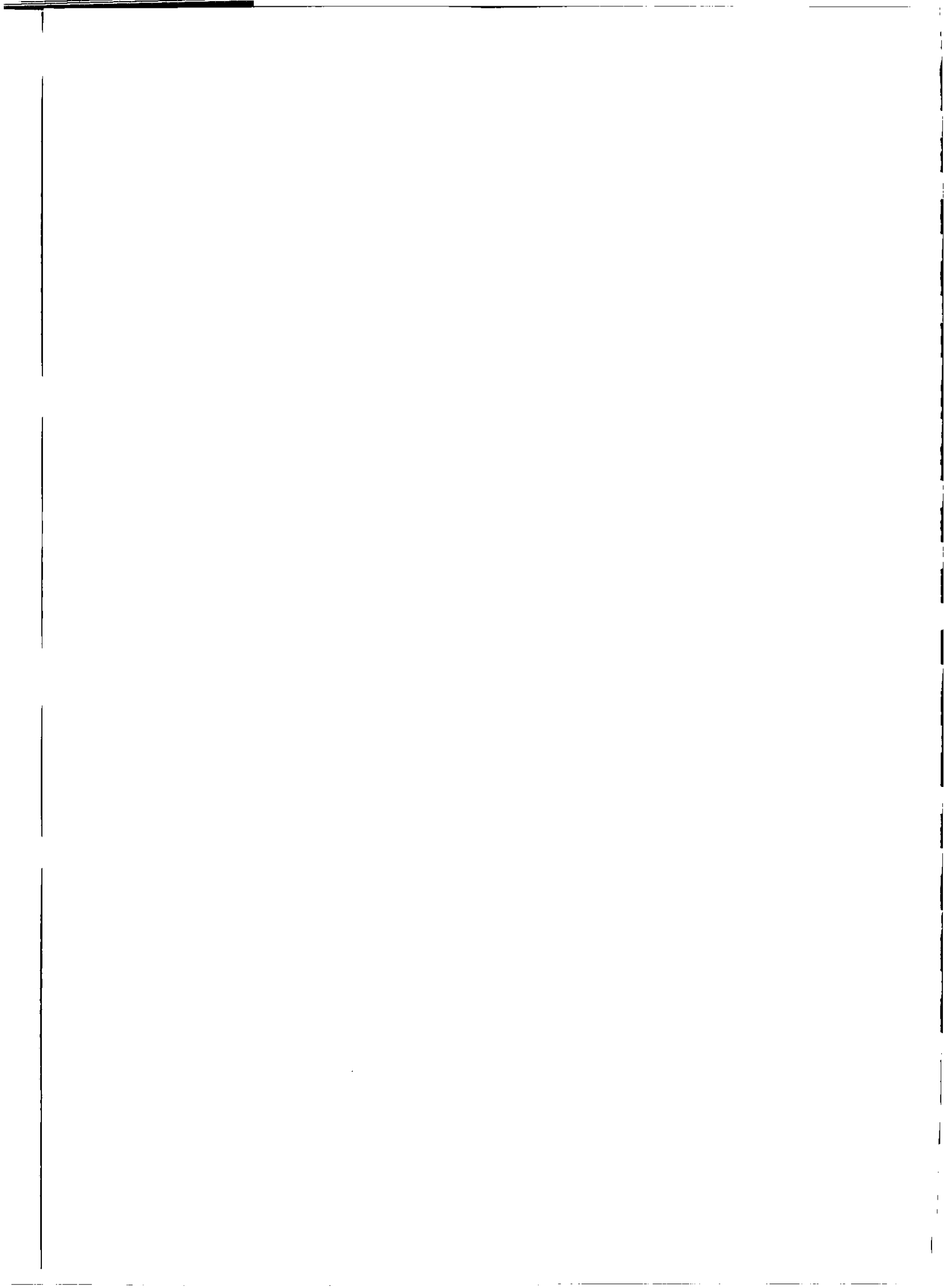
	Freehold Land & Building £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
COST OR VALUATION				
At 1.11.2007	74,746	41,263	41,355	157,364
Additions	-	746	-	746
At 31.10.2008	<u>74,746</u>	<u>42,009</u>	<u>41,355</u>	<u>158,110</u>
DEPRECIATION				
At 1.11.2007	29,960	28,548	14,844	73,352
Charge for the Year	1,070	2,692	6,627	10,389
At 31.10.2008	<u>31,030</u>	<u>31,240</u>	<u>21,471</u>	<u>83,741</u>
NET BOOK VALUE				
At 31.10.2008	<u>43,716</u>	<u>10,769</u>	<u>19,884</u>	<u>74,369</u>
At 31.10.2007	<u>44,786</u>	<u>12,715</u>	<u>26,511</u>	<u>84,012</u>

Freehold land and buildings includes property at a professional valuation prepared in 1979 of £73,500.

On an historical cost basis freehold properties would have been included at:

	<u>2008</u> £	<u>2007</u> £
Cost	<u>51,372</u>	<u>51,372</u>
Aggregate Depreciation	<u>29,786</u>	<u>28,759</u>

The transitional rules set out in FRS15 'Tangible Fixed Assets' have been applied on implementing FRS15. Accordingly, the book values at implementation have been retained. Land with a value of £21,000 is not depreciated.



C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2008

9. STOCKS	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Goods for Resale	241,346	271,671
Expense Materials	3,768	4,213
	<u>245,114</u>	<u>275,884</u>

The amount of 'goods for resale' written down in the year was £7,021 (2007: £6,858).

10. DEBTORS	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Due within one year		
Trade Debtors	108,198	151,483
Corporation Tax Recoverable	2,720	-
Prepayments and Accrued Income	14,882	14,828
	<u>125,800</u>	<u>166,311</u>

11. CURRENT ASSET INVESTMENTS	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Cost - Listed Investments	4,099	4,099

The market value of investments at the balance sheet date was £4,686 (2007: £5,337).

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Trade Creditors	11,318	33,196
Corporation Tax	-	5,559
Other Taxation and Social Security Costs	22,832	23,995
Accruals and Deferred Income	36,631	43,553
	<u>70,781</u>	<u>106,303</u>

C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2008

13. PROVISIONS FOR LIABILITIES AND CHARGES		<u>Deferred Taxation</u> £
Balance at 1 November 2007		1,556
Movement in year		(545)
Balance at 31 October 2008		<u>1,011</u>
The deferred tax balance arises from accelerated capital allowances.		
No provision has been made for deferred tax on gains recognised on revaluing property to its market value or on sale of properties where potentially taxable gains have been rolled over into replacement assets. Such estimated tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £7,300 (2007: £7,300). At present, it is not envisaged that any tax will become payable in the foreseeable future.		
14. SHARE CAPITAL	<u>2008</u> £	<u>2007</u> £
Authorised 150,000 Ordinary Shares of 50p each	75,000	75,000
Allotted, issued and fully paid 100,000 Ordinary Shares of 50p each	50,000	50,000
15. REVALUATION RESERVE	<u>2008</u> £	<u>2007</u> £
As at 1 November 2007	22,128	22,128
As at 31 October 2008	22,128	22,128
16. PROFIT AND LOSS ACCOUNT	<u>2008</u> £	<u>2007</u> £
Balance at 1 November 2007	796,772	790,482
(Loss)/Profit for the year	(16,838)	31,290
Dividends	(25,000)	(25,000)
Balance at 31 October 2008	<u>754,934</u>	<u>796,772</u>
17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	<u>2008</u> £	<u>2007</u> £
(Loss)/Profit for the year	(16,838)	31,290
Dividends	(25,000)	(25,000)
	<u>(41,838)</u>	<u>6,290</u>
Opening shareholders funds	868,900	862,610
Closing Shareholders funds	<u>827,062</u>	<u>868,900</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2008

18. CASH FLOWS

a	Reconciliation of operating profit to net cash outflow from operating activities	<u>2008</u>	<u>2007</u>	
		£	£	
	Operating (Loss)/Profit	(38,434)	16,329	
	Depreciation	10,389	9,390	
	Loss on Sale of Fixed Assets	-	3,072	
	Decrease/(Increase) in Stocks	30,770	(39,524)	
	Decrease/(Increase) in Debtors	43,231	1,249	
	(Decrease)/Increase in Creditors	(29,963)	747	
		<u>15,993</u>	<u>(8,737)</u>	
b	Analysis of Net Funds			Change
		<u>2008</u>	<u>2007</u>	in year
		£	£	£
	Cash at Bank and in Hand	<u>449,472</u>	<u>446,453</u>	<u>3,019</u>

19. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise investments, trade debtors, cash at bank and trade creditors and accruals that arise directly from its operations.

An equity instrument is any contract that gives a residual interest in the assets of the company after deducting all of its liabilities. Instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Management objectives and policies

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

The Company's policy is to maximise the after tax return on cash deposits, to take all discounts available from the settlement of financial liabilities and to offer settlement discounts, that result in the early payment of financial assets, thus minimising credit risk.

Information relating to financial assets and liabilities

Trade debtors are repayable within 30 days from the date of invoice and do not bear interest. Trade and accruals are repayable between 30 and 60 days from the date of invoice; provided that they are paid by their due date, they are interest free. Trade creditors are denominated primarily in US dollars, HK dollars or euros.

The company's investment comprises shares in a company listed on the London Stock Exchange. The investments are stated at cost, which is not materially different from their fair value.

Details of the carrying value of the financial assets and liabilities are given in the balance sheet and the related notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2008

FINANCIAL INSTRUMENTS

The main risk arising from the companies instruments are interest rate and foreign currency risk. The policies for managing these risks are summarised below and have been applied throughout the year.

INTEREST RATES

Cash deposits are denominated in sterling and held in interest bearing bank accounts which currently require no notice and are with recognised clearing banks. The accounts have been selected to achieve the maximum possible interest rate whilst meeting the Company's daily working capital requirements and are regularly reviewed. The interest rates vary with the bank's base rate.

FOREIGN CURRENCY RATE

The Company trades in several countries within the Far East and throughout Europe. As a result, the Company's balance sheet could be affected by movement in the Euro, HK dollar and US dollar to the UK Pound Sterling exchange rate. The losses on foreign exchange recognised in these accounts amounted to £7,501 (2007 £2,067). These sums reflect the difference in the rates of exchange between the figure issued by HM Revenue & Customs at the time of importation and the rates charged at point of payment. The Company does not hedge against foreign currency fluctuations. However, an awareness of exchange rates is maintained so that the movements can be built into our pricing decisions.

CREDIT RISK

Credit risk is the potential financial loss due to a customer failing to meet its contractual obligations against an invoice issued. The majority of the Company's customers have been trading with the Company for several years and losses have happened infrequently. The Company has an established credit policy under which new customers are analysed for creditworthiness before accounts are offered or granted. The Company method is through issuing trading terms and conditions, the completion of credit application forms, the requesting of references and dependent on the results, a further external companies inspection could be undertaken.

The analysis of trade debtor allowance is as follows:

	<u>2008</u>	<u>2007</u>
	£	£
Opening balance at 1 November	21,017	18,935
Allowance made in the year	1,517	2,082
Unused allowance reversed	(20,522)	-
Closing balance at 31 October	<u>2,012</u>	<u>21,017</u>

THE COMPANY'S EXPOSURE TO FOREIGN CURRENCY RISK IS SUMMARISED BELOW

Net monetary liabilities that are not denominated in the Companies functional currency are as follows:

	2008	2007	2008	2007	2008	2007
	Euros		HK Dollar		US Dollar	
Currency liabilities						
Trade creditors	5,262	7,906	-	17,075	-	34,558
	<u>5,262</u>	<u>7,906</u>	<u>-</u>	<u>17,075</u>	<u>-</u>	<u>34,558</u>

The Company has little exposure to cash flow, liquidity, price risk.

20. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme whose assets are held separately from those of the Company in an independently administered fund. The pension cost charge amounted to £6,113 (2007: £5,093).

21. POST BALANCE SHEET EVENTS

The company has suffered (after the year end) a burst pipe in the roof. Damage had been caused throughout the site, and remedial work is still underway. Stock was lost and the computer system has had to be replaced. All losses are covered by our insurance and apart from the inconvenience caused, no detrimental affect has been felt by the company.

C. A. SPERATI (THE SPECIAL AGENCY) P.L.C.

NOTICE HEREBY GIVEN that the 102nd Annual General Meeting of the Shareholders of the above named Company will be held at the Registered Office of the Company 54 Westcombe Hill, Greenwich, SE10 0LR on 11 March 2009 for the following purposes:

1. To receive the Directors' Report and the Audited Accounts for the year ended 31 October, 2008 and the report of the Auditors thereon.
2. To receive and approve the Directors' Remuneration Report for the year ended 31 October, 2008.
3. To declare a dividend of 25p per share, payable on 14 May 2009.
4. To re-elect Mr J Alexander as a Non-Executive Director.
5. To appoint Baker Tilly UK Audit LLP of 1st Floor, 46 Clarendon Road, Watford, WD17 1JJ as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix the Auditors' Remuneration.
6. To transact any other ordinary business of the Company.

BY ORDER OF THE BOARD

Miss V Beeny

Secretary

17 February 2009



54 Westcombe Hill
Greenwich, SE10 0LR

A Member entitled to attend and vote may appoint a proxy who need not be a Shareholder.