

**ABBREVIATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2002**

**FOR**

**MELAL HOLMARK LTD**



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**For The Year Ended 31 May 2002**

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**COMPANY INFORMATION**  
**For The Year Ended 31 May 2002**

<b>DIRECTORS:</b>	D J Holliday Mrs D A Holliday
<b>SECRETARY:</b>	Mrs D A Holliday
<b>REGISTERED OFFICE:</b>	Unit D Lecturers Close Bridgeman Street Bolton LANCASHIRE BL3 6BS
<b>REGISTERED NUMBER:</b>	2928246 (England and Wales)
<b>AUDITORS:</b>	Kramer & Co Chartered Accountants Registered Auditor Falcon Court 490a Halliwell Road Bolton Lancashire BL1 8AN
<b>BANKERS:</b>	The Co-operative Bank plc P O Box 101 1 Balloon Street Manchester M60 4EP

**REPORT OF THE INDEPENDENT AUDITORS TO  
MELAL HOLMARK LTD  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages three to six, together with the full financial statements of the company for the year ended 31 May 2002 prepared under Section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

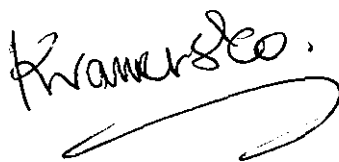
**Basis of opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages three to six are properly prepared in accordance with those provisions.

Kramer & Co  
Chartered Accountants  
Registered Auditor  
Falcon Court  
490a Halliwell Road  
Bolton  
Lancashire BL1 8AN




Dated: 19 August 2002

**ABBREVIATED BALANCE SHEET**  
**31 May 2002**

		31.5.02	31.5.01
	Notes	£	£
<b>FIXED ASSETS:</b>			
Intangible assets	2	545,733	577,835
Tangible assets	3	94,575	108,623
		<u>640,308</u>	<u>686,458</u>
<b>CURRENT ASSETS:</b>			
Stocks		101,255	124,198
Debtors		191,960	262,681
Cash in hand		586	36
		<u>293,801</u>	<u>386,915</u>
<b>CREDITORS:</b> Amounts falling due within one year	4	(402,533)	(406,043)
<b>NET CURRENT LIABILITIES:</b>		<u>(108,732)</u>	<u>(19,128)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>		531,576	667,330
<b>CREDITORS:</b> Amounts falling due after more than one year	4	(49,647)	(103,450)
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>		<u>(5,279)</u>	<u>(5,696)</u>
		<u><u>£476,650</u></u>	<u><u>£558,184</u></u>
<b>CAPITAL AND RESERVES:</b>			
Called up share capital	5	347,863	362,983
Capital redemption reserve		105,840	90,720
Profit and loss account		22,947	104,481
<b>SHAREHOLDERS' FUNDS:</b>		<u><u>£476,650</u></u>	<u><u>£558,184</u></u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

  
D J Holliday - DIRECTOR

Approved by the Board on 19 August 2002

The notes form part of these financial statements

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**For The Year Ended 31 May 2002**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 1998, is being written off evenly, commencing 1st June 1999, over its estimated useful life of twenty years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 15% on reducing balance
Office Equipment	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Fixtures and fittings	- 15% on reducing balance

**Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Assets obtained under hire purchase contracts are capitalised in the Balance Sheet, and are depreciated over their estimated useful lives. The interest element of these obligations is charged to the profit and loss account over the lease term. All other leases held are operating leases, and the rentals are charged to the profit and loss account as incurred.

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**For The Year Ended 31 May 2002**

**2. INTANGIBLE FIXED ASSETS**

	<b>Total</b>
	<b>£</b>
<b>COST:</b>	
At 1 June 2001	
and 31 May 2002	<u>642,037</u>
<b>AMORTISATION:</b>	
At 1 June 2001	64,202
Charge for year	<u>32,102</u>
At 31 May 2002	<u>96,304</u>
<b>NET BOOK VALUE:</b>	
At 31 May 2002	<u>545,733</u>
At 31 May 2001	<u>577,835</u>

**3. TANGIBLE FIXED ASSETS**

	<b>Total</b>
	<b>£</b>
<b>COST:</b>	
At 1 June 2001	198,945
Additions	<u>5,066</u>
At 31 May 2002	<u>204,011</u>
<b>DEPRECIATION:</b>	
At 1 June 2001	90,322
Charge for year	<u>19,114</u>
At 31 May 2002	<u>109,436</u>
<b>NET BOOK VALUE:</b>	
At 31 May 2002	<u>94,575</u>
At 31 May 2001	<u>108,623</u>

**4. CREDITORS**

The following secured debts are included within creditors:

	31.5.02	31.5.01
	£	£
Bank overdrafts	123,584	115,916
Bank loans	94,364	144,360
Hire purchase contracts	9,016	13,923
	<u>226,964</u>	<u>274,199</u>

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**For The Year Ended 31 May 2002**

**5. CALLED UP SHARE CAPITAL**

Authorised:		Nominal value:	31.5.02 £	31.5.01 £
Number:	Class:			
150,000	Ordinary	£1	150,000	150,000
500,000	9.5% cumulative convertible redeemable preference shares	£1	500,000	500,000
			<u>650,000</u>	<u>650,000</u>
Allotted, issued and fully paid:		Nominal value:	31.5.02 £	31.5.01 £
Number:	Class:			
100	Ordinary	£1	150	100
362,883	9.5% cumulative convertible redeemable preference shares	£1	347,713	362,883
			<u>347,863</u>	<u>362,983</u>

453,603 £1 non-voting preference shares were issued to fund the original acquisition of the business on 22 May 1998. The preference shares have rights to a quarterly dividend at a rate of 9.5% per annum. From 1 June 2000, the company began a programme to redeem the preference shares in 60 quarterly installments. The latest date of redemption is 31 May 2005. This programme was suspended in July 2001 and subsequently during the year to 31 May 2002, the preference shareholders have exercised their right to convert 50 preference shares to 50 ordinary £1 shares, in lieu of the payment of preference dividends.

**6. CONTROL**

The company is controlled by the directors.