

Company Registration No 06752963 (England and Wales)

**MELCAIN LIMITED**  
**GROUP FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

WEDNESDAY



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# MELCAIN LIMITED

## DIRECTORS AND ADVISERS

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<b>Directors</b>	J Newman A Levene J Kellington
<b>Secretary</b>	J Kellington
<b>Company number</b>	06752963
<b>Registered office</b>	c/o UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
<b>Registered auditors</b>	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
<b>Business address</b>	Parklands Block P1 Unit 9 & 10 Heywood Distribution Park Pilsworth Road Heywood Lancashire OL10 2TT
<b>Bankers</b>	The Co-operative Bank plc 1 Balloon Street Manchester M60 4EP

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# MELCAIN LIMITED

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# MELCAIN LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2010

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The directors present their report and financial statements for the year ended 31 December 2010

#### Principal activities and review of the business

The company has not traded in the period. The principal activity of the company continued to be that of a holding company.

The principal activity of the group relates to that of the subsidiary company, Eurosim Limited, which is the supply of IT products.

The directors consider the results of the group to be extremely good, and well above expectations, given the current economic climate.

Our financial risk management objective is to minimise exposure to foreign exchange risk, and ensure that the business manages its surplus cash to reduce any financial costs possible.

Our gross profit has improved, up to £5.3m from £5.2m in 2009. This is due to improved buying procedures and being able to offer alternative product lines. We expect margin % to reduce, but turnover to increase in 2011.

#### Results and dividends

The consolidated profit and loss account for the year is set out on page 5.

The directors do not recommend payment of an ordinary dividend.

#### Future developments

We aim to continue improving our turnover by expanding our product range, and customer base further in 2011.

#### Directors

The following directors have held office since 1 January 2010:

J Newman  
A Levene  
J Kellington

Charitable donations	2010 £	2009 £
During the year the group made the following payments:		
Charitable donations	4,355	6,326

# MELCAIN LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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### Statement of directors' responsibilities

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

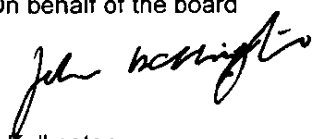
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



J Kellington

**Director**

6 May 2011

# MELCAIN LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF MELCAIN LIMITED

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We have audited the group and parent company financial statements (the "financial statements") of Melcain Limited for the year ended 31 December 2010 set out on pages 5 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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.

# MELCAIN LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF MELCAIN LIMITED

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#### 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



**M D C Robertson (Senior Statutory Auditor)**  
for and on behalf of **HHY Hacker Young Manchester LLP**

**Chartered Accountants**  
**Statutory Auditor**

9 May 2011

St James Building  
79 Oxford Street  
Manchester  
M1 6HT

# MELCAIN LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Turnover	2	43,882,723	36,380,554
Cost of sales		(38,571,658)	(31,388,547)
<b>Gross profit</b>		5,311,065	4,992,007
Distribution costs		(413,998)	(397,167)
Administrative expenses		(3,498,065)	(3,344,728)
<b>Operating profit</b>	3	1,399,002	1,250,112
Other interest receivable and similar income		2	17,328
Interest payable and similar charges	4	(67,106)	(60,100)
<b>Profit on ordinary activities before taxation</b>		1,331,898	1,207,340
Tax on profit on ordinary activities	5	(404,881)	(343,569)
<b>Profit on ordinary activities after taxation</b>		927,017	863,771

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



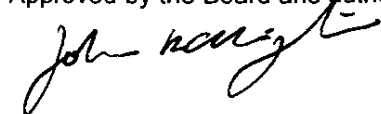
# MELCAIN LIMITED

## BALANCE SHEETS

AS AT 31 DECEMBER 2010

	Notes	Group 2010 £	2009 £	Company 2010 £	2009 £
<b>Fixed assets</b>					
Intangible assets	7	1,495,115	1,578,177	-	-
Tangible assets	8	179,597	231,336	-	-
Investments	9	-	-	4,142,420	4,142,420
		<u>1,674,712</u>	<u>1,809,513</u>	<u>4,142,420</u>	<u>4,142,420</u>
<b>Current assets</b>					
Stocks	10	1,589,720	1,243,942	-	-
Debtors	11	6,488,188	6,317,546	1,000	1,000
Cash at bank and in hand		1,494,339	990,388	-	-
		<u>9,572,247</u>	<u>8,551,876</u>	<u>1,000</u>	<u>1,000</u>
<b>Creditors amounts falling due within one year</b>	12	<u>(7,919,806)</u>	<u>(7,087,892)</u>	<u>(2,965,191)</u>	<u>(2,422,300)</u>
<b>Net current assets</b>		<u>1,652,441</u>	<u>1,463,984</u>	<u>(2,964,191)</u>	<u>(2,421,300)</u>
<b>Total assets less current liabilities</b>		<u>3,327,153</u>	<u>3,273,497</u>	<u>1,178,229</u>	<u>1,721,120</u>
<b>Creditors amounts falling due after more than one year</b>	13	<u>(1,502,575)</u>	<u>(2,366,724)</u>	<u>(1,177,229)</u>	<u>(1,720,120)</u>
<b>Provisions for liabilities</b>	14	<u>(32,790)</u>	<u>(42,002)</u>	<u>-</u>	<u>-</u>
		<u>1,791,788</u>	<u>864,771</u>	<u>1,000</u>	<u>1,000</u>
<b>Capital and reserves</b>					
Called up share capital	16	1,000	1,000	1,000	1,000
Profit and loss account	17	1,790,788	863,771	-	-
<b>Shareholders' funds</b>	18	<u>1,791,788</u>	<u>864,771</u>	<u>1,000</u>	<u>1,000</u>

Approved by the Board and authorised for issue on 6 May 2011



J Kellington  
Director

Company Registration No 06752963

# MELCAIN LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	£	2010 £	£	2009 £
<b>Net cash inflow from operating activities</b>		1,989,949		264,806
<b>Returns on investments and servicing of finance</b>				
Interest received	2		17,328	
Interest paid	(50,611)		(60,100)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(50,609)		(42,772)
<b>Taxation</b>		(344,318)		(264,266)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(46,061)		(19,633)	
<b>Net cash outflow for capital expenditure</b>		(46,061)		(19,633)
<b>Acquisitions and disposals</b>				
Purchase of subsidiary undertakings	-		(1,637,500)	
Net cash acquired with subsidiary	-		312,691	
<b>Net cash outflow for acquisitions and disposals</b>		-		(1,324,809)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		1,548,961		(1,386,674)
Invoice discounting	(153,070)		1,221,806	
		(153,070)		1,221,806
<b>Financing</b>				
New long term bank loan	-		1,400,000	
Repayment of long term bank loan	(348,677)		(245,178)	
Repayment of other long term loans	(542,891)		-	
<b>Net cash (outflow)/inflow from financing</b>		(891,568)		1,154,822
<b>Increase in cash in the year</b>		504,323		989,954

# MELCAIN LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

1 Reconciliation of operating profit to net cash inflow from operating activities		2010	2009
		£	£
Operating profit		1,399,002	1,250,112
Depreciation of tangible assets		41,151	41,579
Amortisation of intangible assets		83,062	83,062
Loss on disposal of tangible assets		56,649	-
(Increase)/decrease in stocks		(345,778)	302,831
Increase in debtors		(170,643)	(1,719,697)
Increase in creditors within one year		926,506	306,919
<b>Net cash inflow from operating activities</b>		<b>1,989,949</b>	<b>264,806</b>

2 Analysis of net debt	1 January 2010	Cash flow	Other non-cash changes	31 December 2010
	£	£	£	£
Net cash				
Cash at bank and in hand	990,388	503,951	-	1,494,339
Bank overdrafts	(434)	372	-	(62)
	<u>989,954</u>	<u>504,323</u>	<u>-</u>	<u>1,494,277</u>
Debts falling due within one year	(871,496)	10,924	-	(860,572)
Debts falling due after one year	(2,366,724)	880,644	(16,495)	(1,502,575)
	<u>(3,238,220)</u>	<u>891,568</u>	<u>(16,495)</u>	<u>(2,363,147)</u>
<b>Net debt</b>	<b>(2,248,266)</b>	<b>1,395,891</b>	<b>(16,495)</b>	<b>(868,870)</b>

3 Reconciliation of net cash flow to movement in net debt		2010	2009
		£	£
Increase in cash in the year		504,323	989,954
Cash outflow/(inflow) from decrease/(increase) in debt		891,568	(1,154,822)
Change in net debt resulting from cash flows		1,395,891	(164,868)
Other non-cash changes		(16,495)	(2,083,398)
<b>Movement in net debt in the year</b>		<b>1,379,396</b>	<b>(2,248,266)</b>
Opening net debt		(2,248,266)	-
<b>Closing net debt</b>		<b>(868,870)</b>	<b>(2,248,266)</b>

# MELCAIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

#### **1.2 Compliance with accounting standards**

The financial statements have been prepared in accordance with applicable accounting standards

#### **1.3 Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertaking made up to 31 December 2010. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### **1.4 Turnover**

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

#### **1.5 Goodwill**

Goodwill arising on the acquisition of subsidiary undertakings and representing the excess of the consideration given over the fair value of the identifiable net assets acquired, has been capitalised in the group balance sheet and is amortised over its estimated economic life, being 20 years.

#### **1.6 Tangible fixed assets and depreciation**

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

Land and buildings Leasehold	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	25% straight line

#### **1.7 Leasing**

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

#### **1.8 Investments**

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

#### **1.9 Stock**

Stock is valued at the lower of cost and net realisable value.

#### **1.10 Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

#### **1.11 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

# MELCAIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 1 Accounting policies (continued)

##### 1 12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 2 Turnover

##### Geographical market

	2010 £	2009 £
UK	25,850,653	21,500,371
Rest of Europe	16,373,844	11,510,773
Rest of the world	1,658,226	4,764,812
	<u>43,882,723</u>	<u>37,775,956</u>

3 Operating profit	2010 £	2009 £
Operating profit is stated after charging		
Amortisation of intangible assets	83,062	83,062
Depreciation of tangible assets	41,151	41,579
Loss on disposal of tangible assets	56,649	-
Loss on foreign exchange transactions	-	270,284
Operating lease rentals	98,676	95,914
and after crediting		
Profit on foreign exchange transactions	<u>(12,624)</u>	<u>-</u>

##### Auditors remuneration

Fees payable to the group's auditor for the audit of the group's annual accounts (company £nil)	21,060	20,160
Tax advisory services	1,200	6,500
Other services	5,145	30,371
	<u>27,405</u>	<u>57,031</u>

# MELCAIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

<b>4</b>	<b>Interest payable</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	3,401	2,306
	On other loans wholly repayable within five years	47,210	57,794
	Other interest	16,495	-
		<u>67,106</u>	<u>60,100</u>
<b>5</b>	<b>Taxation</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	414,093	344,318
	Adjustment for prior years	-	545
	<b>Total current tax</b>	<u>414,093</u>	<u>344,863</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(9,212)	(1,294)
		<u>404,881</u>	<u>343,569</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>1,331,898</u>	<u>1,207,340</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>372,931</u>	<u>338,055</u>
	Effects of		
	Non deductible expenses	31,072	60,937
	Depreciation add back	11,522	11,642
	Capital allowances	(16,559)	(10,075)
	Schedule 23 FA 2003 deduction	-	(51,789)
	Adjustments to previous periods	-	545
	Chargeable disposals	15,862	-
	Dividends and distributions received	(346)	(4,452)
	Other tax adjustments	(389)	-
		<u>41,162</u>	<u>6,808</u>
	<b>Current tax charge for the year</b>	<u>414,093</u>	<u>344,863</u>

# MELCAIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

### 6 Results for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. There were no profit and loss transactions during the period as the holding company was dormant.

### 7 Intangible fixed assets Group

	Goodwill £
<b>Cost</b>	
At 1 January 2010 & at 31 December 2010	1,661,239
<b>Amortisation</b>	
At 1 January 2010	83,062
Charge for the year	83,062
At 31 December 2010	166,124
<b>Net book value</b>	
At 31 December 2010	1,495,115
At 31 December 2009	1,578,177

Goodwill arising on the consolidation of Eurosim Limited is being amortised evenly over its useful economic life of 20 years commencing 15 January 2009.

# MELCAIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 8 Tangible fixed assets

##### Group

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2010	78,204	440,792	32,030	551,026
Additions	-	46,061	-	46,061
Disposals	-	(228,602)	-	(228,602)
At 31 December 2010	78,204	258,251	32,030	368,485
<b>Depreciation</b>				
At 1 January 2010	46,539	255,980	17,171	319,690
On disposals	-	(171,953)	-	(171,953)
Charge for the year	4,750	31,143	5,258	41,151
At 31 December 2010	51,289	115,170	22,429	188,888
<b>Net book value</b>				
At 31 December 2010	26,915	143,081	9,601	179,597
At 31 December 2009	31,665	184,812	14,859	231,336



# MELCAIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

### 9 Fixed asset investments

#### Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2010	-
Additions	4,142,420
	<u>4,142,420</u>
At 31 December 2010	<u>4,142,420</u>
<b>Net book value</b>	
At 31 December 2010	<u>4,142,420</u>
At 31 December 2009	<u>4,142,420</u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

#### Holdings of more than 20%

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

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Eurosimm Limited	United Kingdom	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	<b>Principal activity</b>
Eurosimm Limited	Supply of IT products

All companies detailed above are included within these consolidated accounts

### 10 Stocks

	Group 2010 £	2009 £	Company 2010 £	2009 £
Finished goods and goods for resale	<u>1,589,720</u>	<u>1,243,942</u>	<u>-</u>	<u>-</u>

# MELCAIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 11 Debtors

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	6,097,282	6,000,016	-	-
Called up share capital not paid	1,000	1,000	1,000	1,000
Other debtors	296,988	242,788	-	-
Prepayments and accrued income	92,918	73,742	-	-
	<u>6,488,188</u>	<u>6,317,546</u>	<u>1,000</u>	<u>1,000</u>

#### 12 Creditors : amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts	354,739	350,045	-	-
Trade creditors	2,793,417	2,144,074	-	-
Amounts owed to group undertakings	-	-	2,426,811	1,883,920
Corporation tax	414,093	344,318	-	-
Taxes and social security costs	59,753	58,285	-	-
Other creditors	505,895	538,037	538,380	538,380
Invoice discounting	3,084,825	3,237,895	-	-
Accruals and deferred income	707,084	415,238	-	-
	<u>7,919,806</u>	<u>7,087,892</u>	<u>2,965,191</u>	<u>2,422,300</u>

The bank overdraft and invoice discounting is secured by a debenture and a floating charge over the assets of the subsidiary company

# MELCAIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

### 13 Creditors . amounts falling due after more than one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans	451,468	805,211	-	-
Other loans	1,051,107	1,561,513	1,177,229	1,720,120
	<u>1,502,575</u>	<u>2,366,724</u>	<u>1,177,229</u>	<u>1,720,120</u>
<b>Analysis of loans</b>				
Wholly repayable within five years	2,363,147	3,238,220	1,715,609	2,258,500
Included in current liabilities	(860,572)	(871,496)	(538,380)	(538,380)
	<u>1,502,575</u>	<u>2,366,724</u>	<u>1,177,229</u>	<u>1,720,120</u>
<b>Loan maturity analysis</b>				
In more than one year but not more than two years	863,644	860,636	538,380	538,380
In more than two years but not more than five years	<u>638,931</u>	<u>1,506,088</u>	<u>638,849</u>	<u>1,181,740</u>

The bank loan is secured by way of a floating charge over all assets of the company

Deferred consideration is secured by the Sellers Composite Guarantee and Debenture

### 14 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 January 2010	42,002
Profit and loss account	(9,212)
Balance at 31 December 2010	<u>32,790</u>

The deferred tax liability is made up as follows

	Group 2010 £	2009 £	Company 2010 £	2009 £
Accelerated capital allowances	<u>32,790</u>	<u>42,002</u>	<u>-</u>	<u>-</u>

# MELCAIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 15 Pension and other post-retirement benefit commitments

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

##### Defined contribution

	2010 £	2009 £
Contributions payable by the group for the year	32,075	31,903

#### 16 Share capital

	2010 £	2009 £
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000

#### 17 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 January 2010	863,771
Profit for the year	927,017
Balance at 31 December 2010	1,790,788

##### Company

Balance at 1 January 2010 & at 31 December 2010	-
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# MELCAIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

<b>18 Reconciliation of movements in shareholders' funds</b>	<b>2010</b>	<b>2009</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Profit for the financial year	927,017	863,771
Issue of shares	-	1,000
	<hr/>	<hr/>
Net addition to shareholders' funds	927,017	864,771
Opening shareholders' funds	864,771	-
	<hr/>	<hr/>
Closing shareholders' funds	1,791,788	864,771
	<hr/>	<hr/>

	<b>2010</b>	<b>2009</b>
<b>Company</b>	<b>£</b>	<b>£</b>
Profit for the financial year	-	-
Issue of shares	-	1,000
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	-	-
Opening shareholders' funds	1,000	1,000
	<hr/>	<hr/>
Closing shareholders' funds	1,000	1,000
	<hr/>	<hr/>

## 19 Financial commitments

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>	
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Expiry date		
Between two and five years	91,100	91,100
	<hr/>	<hr/>

# MELCAIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

20 Directors' remuneration	2010 £	2009 £
Remuneration for qualifying services	564,146	506,308
Company pension contributions to defined contribution schemes	14,131	19,348
	<u>578,277</u>	<u>525,656</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2009 - 3)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	<u>203,083</u>	<u>180,750</u>
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## 21 Employees

### Number of employees

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
Employees	<u>38</u>	<u>36</u>

### Employment costs

	2010 £	2009 £
Wages and salaries	2,215,710	1,697,010
Social security costs	173,395	165,322
Other pension costs	32,075	31,903
	<u>2,421,180</u>	<u>1,894,235</u>

## 22 Control

The ultimate controlling parties are A Levene and J Newman by virtue of their shareholdings and directorship of the company

# MELCAIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

### 23 Related party relationships and transactions

#### Loans to directors

Transactions in relation to loans with directors during the year are outlined in the table below

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
J Newman	-	1,184	7,058	-	-	8,242
J Kellington	-	-	1,052	-	-	1,052
A Levene	-	-	8,809	-	-	8,809
		<u>1,184</u>	<u>16,919</u>	<u>-</u>	<u>-</u>	<u>18,103</u>