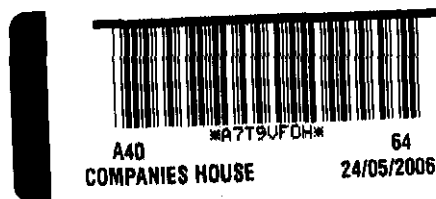


**Report of the Directors and  
Unaudited Financial Statements  
for the Year Ended 30 June 2005  
for  
Medalmark Limited**



**Medalmark Limited**

**Contents of the Financial Statements  
for the Year Ended 30 June 2005**

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**Medalmark Limited**  
**Company Information**  
**for the Year Ended 30 June 2005**

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**DIRECTORS:**

S A Richards  
W S C Richards  
A J Lewis

**SECRETARY:**

Tarrakarn Limited

**REGISTERED OFFICE:**

Lower Hope  
Ullingswick  
Hereford  
Herefordshire  
HR1 3JF

**REGISTERED NUMBER:**

1850101 (England and Wales)

**ACCOUNTANTS:**

Munday Long & Co Limited  
Chartered Certified Accountants  
Alton House  
66/68 High Street  
Northwood  
Middlesex  
HA6 1BL

**Medalmark Limited**

**Report of the Directors  
for the Year Ended 30 June 2005**

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The directors present their report with the financial statements of the company for the year ended 30 June 2005.

**PRINCIPAL ACTIVITY**

*The principal activity of the company in the year under review was that of property investment.*

**DIRECTORS**

The directors set out in the table below have held office during the whole of the period from 1 July 2004 to the date of this report unless otherwise stated.

J A L Manby resigned on 1 June 2005.

The beneficial interests of the directors holding office at 30 June 2005 in the shares of the company, according to the register of directors' interests, were as follows:

	30.6.05	1.7.04 or date of appointment if later
<b>Ordinary shares of £1 each</b>		
S A Richards	2	2
W S C Richards	2	2
A J Lewis - appointed 28.2.2005	-	-

These directors did not hold any non-beneficial interests in the shares of the company.

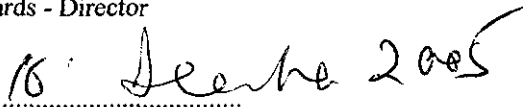
This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**



.....  
W S C Richards - Director

Date: .....



**Medalmark Limited**

**Profit and Loss Account  
for the Year Ended 30 June 2005**

	Notes	30.6.05 £	£	30.6.04 £	£
<b>TURNOVER</b>			83,496		19,302
Administrative expenses			<u>(11,773)</u>		<u>(3,983)</u>
<b>OPERATING PROFIT</b>	2		71,723		15,319
Income from shares in group undertakings		108,000		350,000	
Interest receivable and similar income		<u>685</u>		<u>-</u>	
			<u>108,685</u>		<u>350,000</u>
			180,408		365,319
Amounts written off investments	3		<u>(1,394)</u>		<u>(149,142)</u>
			179,014		216,177
Interest payable and similar charges			<u>(33,780)</u>		<u>(6,448)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			145,234		209,729
Tax on profit on ordinary activities	4		<u>(5,984)</u>		<u>(1,685)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<u>139,250</u>		<u>208,044</u>
<b>RETAINED PROFIT FOR THE YEAR</b>			<u>139,250</u>		<u>208,044</u>

The notes form part of these financial statements

Medalmark Limited

Balance Sheet  
30 June 2005

	Notes	30.6.05 £	30.6.04 £
<b>FIXED ASSETS</b>			
Investments	5	935,516	934,419
<b>CURRENT ASSETS</b>			
Debtors	6	35,063	38,902
Cash at bank		<u>153,313</u>	<u>8,827</u>
		188,376	47,729
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>43,825</u>	<u>41,331</u>
<b>NET CURRENT ASSETS</b>		<u>144,551</u>	<u>6,398</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,080,067	940,817
<b>CREDITORS</b>			
Amounts falling due after more than one year	8	<u>503,000</u>	<u>503,000</u>
<b>NET ASSETS</b>		<u>577,067</u>	<u>437,817</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	4	4
Share premium	11	318,560	318,560
Profit and loss account	11	<u>258,503</u>	<u>119,253</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>577,067</u>	<u>437,817</u>

The notes form part of these financial statements

**Medalmark Limited**

**Balance Sheet - continued**  
**30 June 2005**

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The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 June 2005.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**ON BEHALF OF THE BOARD:**



.....  
W S C Richards - Director

Approved by the Board on .....

16<sup>th</sup> December 2005

The notes form part of these financial statements

Medalmark Limited

Notes to the Financial Statements  
for the Year Ended 30 June 2005

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).

**Exemption from preparing consolidated financial statements**

The financial statements contain information about Medalmark Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements.

**Turnover**

Turnover represents net rental income received, excluding value added tax.

**Deferred tax**

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

2. OPERATING PROFIT

The operating profit is stated after charging:

	30.6.05	30.6.04
	£	£
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

3. AMOUNTS WRITTEN OFF INVESTMENTS

	30.6.05	30.6.04
	£	£
Amounts written off investment	<u>1,394</u>	<u>149,142</u>

4. TAXATION

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	30.6.05	30.6.04
	£	£
Deferred tax:		
Tax losses carried forward	<u>5,984</u>	<u>1,685</u>
Tax on profit on ordinary activities	<u>5,984</u>	<u>1,685</u>



Medalmark Limited

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2005

5. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Unlisted investments £	Totals £
<b>COST</b>			
At 1 July 2004	318,561	765,000	1,083,561
Additions	-	2,491	2,491
At 30 June 2005	318,561	767,491	1,086,052
<b>PROVISIONS</b>			
At 1 July 2004	149,142	-	149,142
Provision for year	1,394	-	1,394
At 30 June 2005	150,536	-	150,536
<b>NET BOOK VALUE</b>			
At 30 June 2005	168,025	767,491	935,516
At 30 June 2004	169,419	765,000	934,419

The company's investments at the balance sheet date in the share capital of companies include the following:

**Novelstyle Limited**

Nature of business: Property investment

	% holding		
Class of shares:	100.00		
Ordinary		30.6.05	30.6.04
		£	£
Aggregate capital and reserves		168,018	169,419
(Loss)/Profit for the year		(1,401)	83,267

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.05	30.6.04
	£	£
Trade debtors	20,132	17,987
Deferred tax asset		
Tax losses carried forward	14,931	20,915
	35,063	38,902

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.05	30.6.04
	£	£
Amounts owed to group undertakings	24,850	24,850
Accruals	2,158	1,160
Rent received in advance	16,817	15,321
	43,825	41,331

Medalmark Limited

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2005

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30.6.05	30.6.04
	£	£
Bank loans	<u>503,000</u>	<u>503,000</u>

9. **DEFERRED TAX**

	£
Balance at 1 July 2004	(20,915)
Utilisation of tax losses	<u>5,984</u>
Balance at 30 June 2005	<u>(14,931)</u>

10. **CALLED UP SHARE CAPITAL**

Authorised:			30.6.05	30.6.04
Number:	Class:	Nominal value:	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:			30.6.05	30.6.04
Number:	Class:	Nominal value:	£	£
4	Ordinary	£1	<u>4</u>	<u>4</u>

11. **RESERVES**

	Profit and loss account	Share premium	Totals
	£	£	£
At 1 July 2004	119,253	318,560	437,813
Retained profit for the year	<u>139,250</u>		<u>139,250</u>
At 30 June 2005	<u>258,503</u>	<u>318,560</u>	<u>577,063</u>

12. **TRANSACTIONS WITH DIRECTORS**

During the year under review the company paid Manby and Co Limited, a company owned and controlled by J A L Manby, £1,645 (2004 - £1,172) for professional services rendered. All transactions took place under normal commercial terms.

W S C Richards has given the company's bankers, the Royal Bank of Scotland, a personal guarantee in respect of the company's bank loans.

**Medalmark Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2005**

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**13. RELATED PARTY DISCLOSURES**

The company operates from the business premises of Tarrakarn Limited, a company owned and controlled by the directors, for which no rental was charged. (2004 - nil).

Last year, the company purchased freehold properties from it's subsidiary, Novelstyle Limited for £765,000. All transactions took place under normal commercial terms.

**14. CONTROLLING PARTY**

The company is under the control of Mr and Mrs Richards.