

Medalmark Ltd
Report of the Directors and
Unaudited Financial Statements
for the Year Ended 30 June 2006

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for the Year Ended 30 June 2006**

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**Company Information
for the Year Ended 30 June 2006**

DIRECTORS:

Mrs SA Richards
WSC Richards
Miss AJ Lewis

SECRETARY:

Tarrakarn Limited

REGISTERED OFFICE:

Lower Hope
Ullingswick
Hereford
Herefordshire
HR1 3JF

REGISTERED NUMBER:

1850101

ACCOUNTANTS:

The Hutchinson Partnership
Chartered Accountants
The Bull Pen
Amberley Court
Sutton St Nicholas
Hereford
Herefordshire
HR1 3BX

**Report of the Directors
for the Year Ended 30 June 2006**

The directors present their report with the financial statements of the company for the year ended 30 June 2006.

PRINCIPAL ACTIVITY

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

DIRECTORS

The directors during the year under review were:

Mrs SA Richards
WSC Richards
Miss AJ Lewis

The beneficial interests of the directors holding office on 30 June 2006 in the issued share capital of the company were as follows:

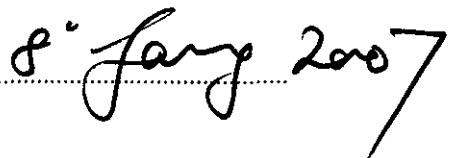
	30.6.06	1.7.05
Ordinary £1 shares		
Mrs SA Richards	2	2
WSC Richards	2	2
Miss AJ Lewis	-	-

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:



.....
WSC Richards - Director

Date: 

The Hutchinson Partnership

Chartered Accountants and Business Advisers

The Bull Pen, Amberley Court, Sutton St Nicholas, Hereford, HR1 3BX
Tel: 01432 882080 Fax: 01432 882081 Email: farmbusiness@hutchpartners.co.uk

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Medalmark Ltd

In accordance with our terms of engagement and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 30 June 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England & Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet as at 30 June 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

The Hutchinson Partnership

The Hutchinson Partnership
Chartered Accountants
The Bull Pen
Amberley Court
Sutton St Nicholas
Hereford
Herefordshire
HR1 3BX

Date: 9 January 2007

Directors: J M Hutchinson FCA S R Bennett FCA J Hutchinson FCA

The Hutchinson Partnership Limited trading as The Hutchinson Partnership - registered in England No. 4550038
Registered by The Institute of Chartered Accountants in England and Wales to carry out company audit work



This page does not form part of the statutory financial statements

Medalmark Ltd

**Profit and Loss Account
for the Year Ended 30 June 2006**

		2006	2005 as restated
	Notes	£	£
TURNOVER		78,049	83,496
Administrative expenses		<u>(15,590)</u>	<u>(11,773)</u>
OPERATING PROFIT	2	62,459	71,723
Income from shares in group undertakings		-	108,000
Interest receivable and similar income		<u>4,300</u>	<u>685</u>
		66,759	180,408
Interest payable and similar charges		<u>(34,791)</u>	<u>(33,780)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		31,968	146,628
Tax on profit on ordinary activities	3	<u>(977)</u>	<u>(5,984)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>30,991</u></u>	<u><u>140,644</u></u>

The notes form part of these financial statements

**Statement of Total Recognised Gains and Losses
for the Year Ended 30 June 2006**

	2006	2005 as restated
	£	£
PROFIT FOR THE FINANCIAL YEAR	30,991	140,644
Property revaluation	82,000	350,509
Revaluation of shares in subsidiary	(918)	(1,394)
Revaluation of listed investments	<u>(12,609)</u>	<u>-</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	99,464	<u>489,759</u>
Prior year adjustment	Note 4	
	<u>150,537</u>	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT	<u>250,001</u>	

The notes form part of these financial statements

Balance Sheet
30 June 2006

		2006	2005
		£	as restated £
FIXED ASSETS	Notes		
Investments	5	101,707	60,025
Investment property	6	<u>1,200,000</u>	<u>1,118,000</u>
		<u>1,301,707</u>	<u>1,178,025</u>
 CURRENT ASSETS			
Debtors	7	35,769	35,063
Cash at bank		<u>139,263</u>	<u>153,313</u>
		175,032	188,376
CREDITORS			
Amounts falling due within one year	8	<u>(48,696)</u>	<u>(43,825)</u>
NET CURRENT ASSETS		<u>126,336</u>	<u>144,551</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,428,043	1,322,576
 CREDITORS			
Amounts falling due after more than one year	9	<u>(509,003)</u>	<u>(503,000)</u>
NET ASSETS		<u>919,040</u>	<u>819,576</u>
 CAPITAL AND RESERVES			
Called up share capital	12	4	4
Revaluation reserve	13	479,005	410,532
Profit and loss account	13	<u>440,031</u>	<u>409,040</u>
SHAREHOLDERS' FUNDS		<u>919,040</u>	<u>819,576</u>

The notes form part of these financial statements

Balance Sheet - continued
30 June 2006

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 June 2006.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2006 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 January 2005).

The financial statements were approved by the Board of Directors on 8th July 2007 and were signed on its behalf by:



.....
WSC Richards - Director

**Notes to the Financial Statements
for the Year Ended 30 June 2006**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

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

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Deferred tax

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

Deferred tax assets are recognised to the extent that they are recoverable.

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 requirement to prepare consolidated financial statement.

Accounting for subsidiaries

The company's subsidiary is accounted for on the equity method.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2006 £	2005 as restated £
Directors' emoluments and other benefits etc	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax charge

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

	2006 £	2005 as restated £
Deferred tax:		
Tax losses carried forward	<u>977</u>	<u>5,984</u>
Tax on profit on ordinary activities	<u>977</u>	<u>5,984</u>

The rate of deferred tax has been amended from 19% to 30% due to associated companies. Had the increased rate been applied last year the deferred tax charge would have been £11,383 and the deferred tax asset carried forward would have been £23,574.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2006

4. PRIOR YEAR ADJUSTMENT

The financial statements for the year ending 30 June 2005 have been restated for the following reasons:-

The reduction in the book value of the investment in Novelstyle Ltd of £1,394 due to trading losses in the year was written off through the profit and loss account in 2005. This has been restated as being a revaluation through the revaluation reserve.

The value of the investment in Novelstyle Ltd was stated at £168,025 and had not been reduced for the dividend of £108,000 paid by Novelstyle Ltd to Medalmark Ltd.

Investment properties have been revalued by £350,509 at 30 June 2005 to £1,118,000, consequently the revaluation reserve has been adjusted by the same amount.

The share premium account of £318,560 was in fact a revaluation reserve for the shares held in Novelstyle Limited. £257,143 of this revaluation has actually been realised by the issue of dividends by Novelstyle Limited.

The overall affect of the prior year adjustments on reserves can be summarised as:-

	Share premium account £	Profit and loss account £	Revaluation reserve £	Total £
As per issued accounts	318,560	258,503	-	577,063
Correction for revaluation of Novelstyle Ltd	(318,560)	-	318,560	-
Realisation of revaluation	-	257,143	(257,143)	-
Novelstyle Ltd trading losses	-	1,394	(1,394)	-
Investment property revaluation	-	-	350,509	350,509
Reduction in Novelstyle Ltd investment on issue of dividend	-	(108,000)	-	(108,000)
As restated	-	409,040	410,532	819,572

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments £	Totals £
COST OR VALUATION			
At 1 July 2005 (as restated)	60,025	-	60,025
Additions	-	55,209	55,209
Revaluations	(918)	(12,609)	(13,527)
At 30 June 2006	59,107	42,600	101,707
NET BOOK VALUE			
At 30 June 2006	59,107	42,600	101,707
At 30 June 2005	60,025	-	60,025

Notes to the Financial Statements - continued
for the Year Ended 30 June 2006

5. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 30 June 2006 is represented by:

	Shares in group undertakings £	Listed investments £	Totals £
Valuation in 1991	318,559	(12,609)	305,950
Valuation in 1995	(209,212)	-	(209,212)
Valuation in 1997	28,948	-	28,948
Valuation in 1998	180,264	-	180,264
Valuation in 2004	(149,142)	-	(149,142)
Valuation in 2005	(109,394)	-	(109,394)
Valuation in 2006	(918)	-	(918)
Cost	<u>2</u>	<u>55,209</u>	<u>55,211</u>
	<u>59,107</u>	<u>42,600</u>	<u>101,707</u>

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	2006 £	2005 £ as restated
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		59,107	60,025
Loss for the year		<u>(918)</u>	<u>(1,394)</u>

6. INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 July 2005 (as restated)	1,118,000
Revaluations	<u>82,000</u>
At 30 June 2006	<u>1,200,000</u>
NET BOOK VALUE	
At 30 June 2006	<u>1,200,000</u>
At 30 June 2005	<u>1,118,000</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2006

6. INVESTMENT PROPERTY - continued

Cost or valuation at 30 June 2006 is represented by:

	£
Valuation in 2005	350,509
Valuation in 2006	82,000
Cost	<u>767,491</u>
	<u>1,200,000</u>

If investment property had not been revalued it would have been included at the following historical cost:

	2006	2005 as restated
	£	£
Cost	<u>767,491</u>	<u>767,491</u>

Investment property was valued on an open market basis on 30 June 2006 by Andrew McIndoe & Co Chartered Surveyors.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005 as restated
	£	£
Trade debtors	19,729	20,132
Other debtors	<u>16,040</u>	<u>14,931</u>
	<u>35,769</u>	<u>35,063</u>

Included in other debtors is a deferred tax asset of £13,954 (2005: £14,931) as per note 11.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005 as restated
	£	£
Amounts owed to group undertakings	23,120	24,850
Other creditors	<u>25,576</u>	<u>18,975</u>
	<u>48,696</u>	<u>43,825</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006	2005 as restated
	£	£
Bank loans	<u>509,003</u>	<u>503,000</u>

The bank loan is repayable in full in May 2010.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2006

10. SECURED DEBTS

The following secured debts are included within creditors:

	2006	2005 as restated
	£	£
Bank loans	<u>509,003</u>	<u>503,000</u>

The bank loan is secured by a first legal charge, dated 16 January 2006, in favour of the bank over the company's properties at 31 and 33, High Street, West Wickham, Kent and 7/9 South Road, Haywards Heath, West Sussex and also a guarantee from Mr WSC Richards of £550,000.

11. DEFERRED TAX

	£
Balance at 1 July 2005	(14,931)
Utilisation of tax losses	9,620
Adjustment for change of rate	<u>(8,643)</u>
Balance at 30 June 2006	<u>(13,954)</u>

12. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2006	2005 as restated
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2006	2005 as restated
			£	£
4	Ordinary	£1	<u>4</u>	<u>4</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2006

13. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 July 2005	258,503	410,532	669,035
Prior year adjustment	<u>150,537</u>		<u>150,537</u>
	409,040		819,572
Profit for the year	30,991		30,991
Property revaluation	-	82,000	82,000
Revaluation of shares in group undertaking	-	(918)	(918)
Revaluation of listed investments	<u>-</u>	<u>(12,609)</u>	<u>(12,609)</u>
At 30 June 2006	<u>440,031</u>	<u>479,005</u>	<u>919,036</u>

The opening revaluation reserve and share premium account have been restated as detailed in note 4.

All revaluations are not taxable until they are realised.

14. TRANSACTIONS WITH DIRECTORS

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

During the year to 30 June 2005 the company paid Manby and Co Limited £1,645, under normal commercial terms, for professional services. Manby and Co Limited is under the control of Mr JAL Manby, a former director of Medalmark Limited, who resigned on 1 June 2005.

15. 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. (2005 - nil).

16. ULTIMATE CONTROLLING PARTY

The company is under the control of Mr and Mrs Richards who own 100% of the share capital.