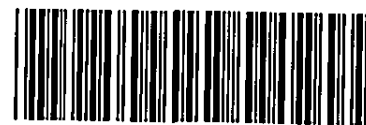


Medalmark Ltd
Report of the Directors and
Unaudited Financial Statements
for the Year Ended 30 June 2008

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Medalmark Ltd

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for the Year Ended 30 June 2008**

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Medalmark Ltd

**Company Information
for the Year Ended 30 June 2008**

DIRECTORS:

Mrs SA Richards
WSC Richards OBE DL
Miss AJ Lewis

SECRETARY:

Tarrakarn Limited

REGISTERED OFFICE:

Lower Hope
Ullingswick
Hereford
Herefordshire
HR1 3JF

REGISTERED NUMBER:

01850101

ACCOUNTANTS:

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

Medalmark Ltd

**Report of the Directors
for the Year Ended 30 June 2008**

The directors present their report with the financial statements of the company for the year ended 30 June 2008

PRINCIPAL ACTIVITY

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

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2007 to the date of this report

Mrs SA Richards
WSC Richards OBE DL
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 OBE DL - Director

Date 22 October 2008

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 2008 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 2008 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 *27 October 2008*

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 2008**

	Notes	2008 £	2007 £
TURNOVER		77,759	77,690
Administrative expenses		<u>(27,189)</u>	<u>(20,639)</u>
OPERATING PROFIT	2	50,570	57,051
Profit on sale of investments		<u>-</u>	<u>2,264</u>
		50,570	59,315
Income from fixed asset investments		104	321
Interest receivable and similar income		<u>96</u>	<u>3,766</u>
		50,770	63,402
Interest payable and similar charges		<u>(40,548)</u>	<u>(36,988)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		10,222	26,414
Tax on profit on ordinary activities	3	<u>7,164</u>	<u>(7,677)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>17,386</u>	<u>18,737</u>

The notes form part of these financial statements

Medalmark Ltd

**Statement of Total Recognised Gains and Losses
for the Year Ended 30 June 2008**

	2008 £	2007 £
PROFIT FOR THE FINANCIAL YEAR	17,386	18,737
Property revaluation	(137,250)	42,250
Revaluation of shares in subsidiary	15,251	120,983
Revaluation of listed investments	<u>1,194</u>	<u>(1,560)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(103,419)</u>	<u>180,410</u>

The notes form part of these financial statements

Medalmark Ltd**Balance Sheet
30 June 2008**

	Notes	2008 £	2007 £
FIXED ASSETS			
Investments	4	365,678	240,215
Investment property	5	<u>1,105,000</u>	<u>1,242,250</u>
		<u>1,470,678</u>	<u>1,482,465</u>
 CURRENT ASSETS			
Debtors	6	53,375	154,115
Cash at bank		<u>43,234</u>	<u>11,955</u>
		96,609	166,070
CREDITORS			
Amounts falling due within one year	7	<u>(62,253)</u>	<u>(40,082)</u>
NET CURRENT ASSETS		<u>34,356</u>	<u>125,988</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		1,505,034	1,608,453
 CREDITORS			
Amounts falling due after more than one year	8	<u>(509,003)</u>	<u>(509,003)</u>
NET ASSETS		<u>996,031</u>	<u>1,099,450</u>
 CAPITAL AND RESERVES			
Called up share capital	11	4	4
Revaluation reserve	12	532,848	653,287
Profit and loss account	12	<u>463,179</u>	<u>446,159</u>
SHAREHOLDERS' FUNDS		<u>996,031</u>	<u>1,099,450</u>

The notes form part of these financial statements

Medalmark Ltd

Balance Sheet - continued
30 June 2008

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 June 2008

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2008 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 2007)

The financial statements were approved by the Board of Directors on *22 October 2008* and were signed on its behalf by



WSC Richards OBE DL - Director

The notes form part of these financial statements

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 2007)

Turnover

Turnover represents net rental income received, excluding value added tax

Fixed asset investments

Fixed asset investments are valued at the lower of cost and market value

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 statements

Accounting for subsidiaries

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

2 OPERATING PROFIT

The operating profit is stated after charging

	2008 £	2007 £
Directors' emoluments and other benefits etc	<u>8,198</u>	<u>-</u>

3 TAXATION**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

	2008 £	2007 £
Deferred tax		
Prior year	(9,997)	528
Current year	<u>2,833</u>	<u>7,149</u>
Total deferred tax	<u>(7,164)</u>	<u>7,677</u>
Tax on profit on ordinary activities	<u>(7,164)</u>	<u>7,677</u>

4 FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments £	Totals £
COST OR VALUATION			
At 1 July 2007	180,090	61,685	241,775
Additions	-	166,027	166,027
Disposals	-	(57,009)	(57,009)
Revaluations	<u>15,251</u>	<u>-</u>	<u>15,251</u>
At 30 June 2008	<u>195,341</u>	<u>170,703</u>	<u>366,044</u>
PROVISIONS			
At 1 July 2007	-	1,560	1,560
Provision for year	-	366	366
Provision written back	<u>-</u>	<u>(1,560)</u>	<u>(1,560)</u>
At 30 June 2008	<u>-</u>	<u>366</u>	<u>366</u>
NET BOOK VALUE			
At 30 June 2008	<u>195,341</u>	<u>170,337</u>	<u>365,678</u>
At 30 June 2007	<u>180,090</u>	<u>60,125</u>	<u>240,215</u>

Market value of listed investments at 30 June 2008 - £226,113 (2007 £60,125)

Cost or valuation at 30 June 2008 is represented by

	Shares in group undertakings £	Listed investments £	Totals £
Valuation in 1991	318,559	-	318,559
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)
Valuation in 2007	120,983	-	120,983
Valuation in 2008	15,251	-	15,251
Cost	<u>2</u>	<u>170,703</u>	<u>170,705</u>
	<u>195,341</u>	<u>170,703</u>	<u>366,044</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2008

4 **FIXED ASSET INVESTMENTS - continued**

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

Novelstyle Limited

Nature of business an investment company

	% holding	2008	2007
Class of shares		£	£
Ordinary	100.00		
Aggregate capital and reserves		195,341	180,090
Profit for the year		<u>58,306</u>	<u>120,983</u>

5 **INVESTMENT PROPERTY**

	Total £
COST OR VALUATION	
At 1 July 2007	1,242,250
Revaluations	<u>(137,250)</u>
At 30 June 2008	<u>1,105,000</u>
NET BOOK VALUE	
At 30 June 2008	<u>1,105,000</u>
At 30 June 2007	<u>1,242,250</u>

Cost or valuation at 30 June 2008 is represented by

	£
Valuation in 2005	350,509
Valuation in 2006	82,000
Valuation in 2007	42,250
Valuation in 2008	<u>(137,250)</u>
Cost	<u>767,491</u>
	<u>1,105,000</u>

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

	2008	2007
	£	£
Cost	<u>767,491</u>	<u>767,491</u>

Investment property was valued on an open market basis on 30 June 2008 by Andrew McIndoe & Co Chartered Surveyors

If the investment properties were sold at the valuation, corporation tax of £29,603 at 28% (2007 £86,017 at 30%) would become payable

Notes to the Financial Statements - continued
for the Year Ended 30 June 2008

6 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade debtors	20,776	20,668
Amounts owed by group undertakings	18,491	126,465
Other debtors	<u>14,108</u>	<u>6,982</u>
	<u>53,375</u>	<u>154,115</u>

Deferred tax asset

	2008	2007
	£	£
Rental losses carried forward	3,026	6,277
Capital losses carried forward	<u>10,415</u>	<u>-</u>
	<u>13,441</u>	<u>6,277</u>

Included in other debtors is a deferred tax asset of £13,441 (2007 £6,277) as per note 10

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Amounts owed to companies under common control	11,690	-
Other creditors	<u>50,563</u>	<u>40,082</u>
	<u>62,253</u>	<u>40,082</u>

8 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008	2007
	£	£
Bank loans	<u>509,003</u>	<u>509,003</u>

The bank loan is repayable in full in May 2010

9 SECURED DEBTS

The following secured debts are included within creditors

	2008	2007
	£	£
Bank loans	<u>509,003</u>	<u>509,003</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 OBE DL (director) of £550,000

Notes to the Financial Statements - continued
for the Year Ended 30 June 2008

10 DEFERRED TAX

	£
Balance at 1 July 2007	(6,277)
Utilisation of rental losses	2,833
Provision for capital losses	(10,415)
Change in rate of tax	<u>418</u>
Balance at 30 June 2008	<u>(13,441)</u>

11 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value £1	2008 £ <u>1,000</u>	2007 £ <u>1,000</u>
1,000	Ordinary			

Allotted, issued and fully paid Number	Class	Nominal value £1	2008 £ <u>4</u>	2007 £ <u>4</u>
4	Ordinary			

12 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 July 2007	446,159	653,287	1,099,446
Profit for the year	17,386		17,386
Property revaluation	-	(137,250)	(137,250)
Revaluation of shares in group undertaking	-	15,251	15,251
Revaluation of listed investments	<u>(366)</u>	<u>1,560</u>	<u>1,194</u>
At 30 June 2008	<u>463,179</u>	<u>532,848</u>	<u>996,027</u>

All revaluations are not taxable until they are realised

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, (2007 - nil) Tarrakarn has recharged Medalmark Limited £23,439 (2007 £11,750) for management fees and wages At the year end £35,190 (2007 £11,750) was due to Tarrakarn

During the year the company continued to make a loan to its subsidiary Novelstyle Limited At the beginning of the year this was £126,465 and by the year end this was £18,491 The maximum due from Novelstyle Limited in the year was £126,465

14 ULTIMATE CONTROLLING PARTY

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