

Melmore Company Limited  
Annual Report and Accounts  
for the period ended 27 March 2004

Registered Number: 04709455



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for the period ended 27 March 2004  
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# Melmore Company Limited

## Directors' report for the period ended 27 March 2004

The directors present their report and the audited financial statements of the company for the period ended 27 March 2004.

### Review of activities

The company was incorporated on 24 March 2003. During the year the company has not traded. It is a wholly owned subsidiary of James Cropper PLC.

### Directors and their interests

The directors who held office during the year are given below:

Alun I Lewis (appointed 24 March 2003)  
John M Denman (appointed 24 March 2003)

The interests of the above, both of whom are directors of ultimate parent company, James Cropper PLC, are given in the annual report of that company.

### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 27 March 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

Our auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



D R Carey  
Secretary

14 July 2004

# Melmore Company Limited

## Independent auditors' report to the members of Melmore Company Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 27 March 2004 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors  
Newcastle upon Tyne

14 July 2004

# Melmore Company Limited

## Profit and loss account for the period ended 27 March 2004

During the year the company did not trade and received no income and incurred no expenditure.

Consequently the company made neither a profit nor a loss.

## Statement of total recognised gains and losses for the period ended 27 March 2004

	Period ended 27 March 2004
	£
Profit for the financial year	-
Unrealised gains on shares in group companies	1,647,612
Total recognised gains relating to the period	1,647,612

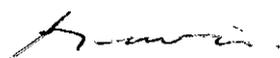
# Melmore Company Limited

## Balance sheet as at 27 March 2004

	Note	As at 27 March 2004	
		£	£
<b>Fixed assets</b>			
Investments	1		1,647,612
<b>Current assets</b>			
Amounts due from group undertakings		1	
<b>Net current assets</b>			<b>1</b>
<b>Total net assets</b>			<b>1,647,613</b>
<b>Capital and reserves</b>			
Called up equity share capital	2		1
Profit and loss account	3		1,647,612
<b>Total equity shareholder's funds</b>	4		<b>1,647,613</b>

The financial statements on pages 3 to 7 were approved by the board of directors on 14 July 2004 and were signed on its behalf by:

A I Lewis  
Director



# **Melmore Company Limited**

## **Accounting policies**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below. There are no comparative amounts as this is the company's first accounting period.

### **Cashflow statement**

The company is a wholly owned subsidiary of James Cropper PLC, and is included in the consolidated financial statements of James Cropper PLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cashflow statement under the terms of FRS 1 (revised 1996).

### **Investments**

Investments are stated at cost or fair value, less any provision for permanent diminution in value.

# Melmore Company Limited

## Notes to the financial statements for the period ended 27 March 2004

### 1 Investments

The company has a total investment of £1,647,612 in £0.01 irredeemable preference shares of the following related companies:

<b>Cost and net book amount</b>	<b>£</b>
James Cropper Speciality Papers Limited	1,083,955
James Cropper Converting Limited	346,866
Technical Fibre Products Limited	216,791
	<b>1,647,612</b>

### 2 Called up equity share capital

	<b>As at 27 March 2004</b>
	<b>£</b>
<b>Authorised:</b>	
1,000 ordinary shares of £1 each	1,000
<b>Issued and fully paid:</b>	
1 ordinary share of £1 each	1

One ordinary share of £1 has been issued during the period at par value. Consideration is included in amounts due from group undertakings.

### 3 Profit and loss account

	<b>2004</b>
	<b>£</b>
Profit for the financial year	-
Other recognised gains for the financial period	1,647,612
<b>At 27 March 2004</b>	<b>1,647,612</b>

# Melmore Company Limited

## 4 Employee information

The company had no employees during the period.

No directors' emoluments were payable in the period. Directors of the company are also directors of the ultimate parent undertaking, James Cropper PLC and details of their remuneration from the group are given in the annual report of that company.

## 5 Reconciliation of movements in equity shareholder's funds

	2004
	£
Other recognised gains for the financial period	1,647,612
Issue of ordinary share capital	1
Net addition to shareholder's funds	1,647,613
Opening equity shareholder's funds	-
<b>Closing equity shareholder's funds</b>	<b>1,647,613</b>

## 6 Ultimate controlling party and related party disclosures

The ultimate parent undertaking and controlling party is James Cropper PLC, which is the parent of the smallest and largest group to consolidate these financial statements. Copies of James Cropper PLC financial statements can be obtained from the Company Secretary at Burneside Mills, Kendal, Cumbria.

Transactions with the ultimate parent undertaking and other group companies are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard 8 "Related Party Disclosures".