

Melmore Company Limited
Annual Report and Accounts
for the 53 weeks ended 2 April 2005

Registered Number: 04709455



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Melmore Company Limited

Directors' report for the 53 weeks ended 2 April 2005

The directors present their report and the audited financial statements of the company for the 53 weeks ended 2 April 2005.

Review of activities

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:

A I Lewis

J Denman

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 are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

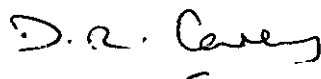
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the 53 weeks ended 2 April 2005 and that applicable accounting standards have 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 2005

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 statement of total recognised gains and losses, the balance sheet, the statement of accounting policies 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 2 April 2005 and of its result for the 53 weeks 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 2005

Melmore Company Limited

Profit and loss account for the 53 weeks ended 2 April 2005

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 53 weeks ended 2 April 2005

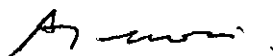
	53 weeks ended 2 April 2005	Period ended 27 March 2004
	£	£
Profit for the financial year	-	-
Other recognised gains on shares in group companies	-	1,647,612
Total recognised gains relating to the period	-	1,647,612

Melmore Company Limited

Balance sheet as at 2 April 2005

		2005	2004
	Note	£	£
Fixed assets			
Investments	1	1,647,612	1,647,612
Current assets			
Amounts due from group undertakings		1	1
Net current assets		1	1
Total net assets		1,647,613	1,647,613
Capital and reserves			
Called up equity share capital	2	1	1
Profit and loss account	3	1,647,612	1,647,612
Total equity shareholder's funds	5	1,647,613	1,647,613

The financial statements on pages 3 to 7 were approved by the board of directors on 14 July 2005 and were signed on its behalf by:



A I Lewis
Director

Melmore Company Limited

Statement of 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, which is regarded as fair value in the case of gifted assets, less any provision for permanent diminution in value.

Melmore Company Limited

Notes to the financial statements for the 53 weeks ended 2 April 2005

1 Investments

The company has a total investment of £1,647,612 (2004: £1,647,612) in £0.01 irredeemable preference shares of the following related companies:

Cost and net book amount	2005	2004
	£	£
James Cropper Speciality Papers Limited	1,083,955	1,083,955
James Cropper Converting Limited	346,866	346,866
Technical Fibre Products Limited	216,791	216,791
	1,647,612	1,647,612

2 Called up equity share capital

	2005	2004
	£	£
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Issued and fully paid:		
1 ordinary share of £1 each	1	1

3 Profit and loss account

	£
At 27 March 2004 and 2 April 2005	1,647,612

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

	2005	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	1,647,613	-
Closing equity shareholder's funds	1,647,613	1,647,613

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".