

Registered Number 05332399

Melka Trading Limited  
Annual report and financial statements  
for the year ended 1 February 2020

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# **Melka Trading Limited**

## **Annual report and financial statements for the year ended 1 February 2020**

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# Melka Trading Limited

## Directors' report for the year ended 1 February 2020

The directors present their annual report and unaudited financial statements of the company for the year ended 1 February 2020.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### Principal activities

The company has not traded in the current or prior financial year and as at 1 February 2020 had net liabilities of €19,415,000 (2019: €19,415,000).

### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Going concern

The company is funded through the intercompany loan from its immediate parent company, Melka International for Trading and Marketing SAE ('Melka International'). Melka International is funded by its former ultimate parent company, Al Arafa for Investments and Consultancies SAE ('Arafa'). The directors have received confirmation from Arafa that it is the intention of Arafa not to seek repayment of these monies until the company has the funds to repay this balance. The company's financial position depends upon the support from Arafa.

The directors have concluded that the financing position of the company represents a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

However, after considering this uncertainty and the proposed plans for the company, the directors have concluded that the required level of support from Arafa is in place and on this basis consider it to be appropriate to continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

# Melka Trading Limited

## Directors' report for the year ended 1 February 2020 (continued)

### Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

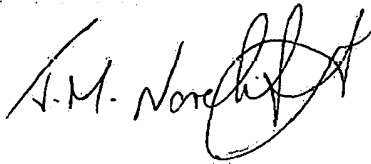
### Exemption from audit

For the year ending 1 February 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

On behalf of the Board



J M Norcliffe

**Director**

11 December 2020

# Melka Trading Limited

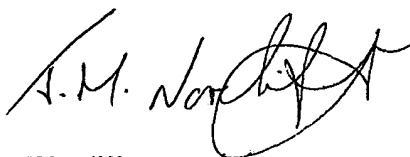
## Balance sheet as at 1 February 2020

|  | Note | 1 February<br>2020<br>€'000 | 2 February<br>2019<br>€'000 |
|--|------|-----------------------------|-----------------------------|
| <b>Fixed assets</b>                                  |      |                             |                             |
| Tangible assets                                      | 3    | -                           | -                           |
| <b>Current assets</b>                                |      |                             |                             |
| Debtors  | 4    | 10,268                      | 10,268                      |
| Cash at bank and in hand                             |      | 160                         | 160                         |
|  |      | <b>10,428</b>               | <b>10,428</b>               |
| <b>Creditors amounts falling due within one year</b> | 5    | <b>(29,843)</b>             | <b>(29,843)</b>             |
| <b>Net current liabilities</b>                       |      | <b>(19,415)</b>             | <b>(19,415)</b>             |
| <b>Net liabilities</b>                               |      | <b>(19,415)</b>             | <b>(19,415)</b>             |
| <b>Capital and reserves</b>                          |      |                             |                             |
| Called up share capital                              | 6    | -                           | -                           |
| Profit and loss account                              | 7    | <b>(19,415)</b>             | <b>(19,415)</b>             |
| <b>Total shareholders' deficit</b>                   |      | <b>(19,415)</b>             | <b>(19,415)</b>             |

The company has not traded during the year. During this year the company received no income and incurred no expenditure and therefore made neither profit nor loss.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the Small Companies and Group (Accounts and Directors' Reports) regulations 2008.

The financial statements on pages 5 to 9 were approved by the board of directors on 11 December 2020 and were signed on its behalf by:



J M Norcliffe

Director

Registered Number 05332399

# Melka Trading Limited

## Statement of accounting policies

### Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principle accounting policies, which the directors have adopted and applied consistently within that convention, are set out below.

### Going concern – material uncertainty

The directors took the decision to cease trading after January 2012 and, at that date, the company's current liabilities exceeded its total assets by €19,415,000, remaining at that level in 2020 (2019: €19,415,000).

The company is funded through the intercompany loan from its immediate parent company, Melka International for Trading and Marketing SAE ('Melka International'). Melka International is funded by its former ultimate parent company, Al Arafa for Investments and Consultancies SAE ('Arafa'). The directors have received confirmation from Arafa that it is the intention of Arafa not to seek repayment of these monies until the company has the funds to repay this balance. The company's financial position depends upon the support from Arafa.

The directors have concluded that the financing position of the company represents a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

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However, after considering this uncertainty and the proposed plans for the company, the directors have concluded that the required level of support from Arafa is in place and on this basis consider it to be appropriate to continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

### Foreign currencies

In accordance with FRS 102 the company has determined its 'functional currency' as euro given substantially all of its sales and purchases historically are in euros. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Profits and losses of overseas branches and subsidiaries which have currencies of operation other than euro are translated into euros at the average rates of exchange for the period. Monetary assets and liabilities recorded in foreign currencies are translated either at the rates ruling at the balance sheet date or the rates fixed by forward contracts. Exchange differences arising from the re-translation of the opening net assets of overseas subsidiaries are taken to reserves. Other exchange differences are dealt with in the profit and loss account.

### Fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation, and the net book value is presently nil. The cost of tangible fixed assets is their original purchase cost, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, on a straight line basis over their estimated economic lives. The estimated economic lives used for this purpose are:

|   |         |
|---|---------|
| Plant, machinery, fixtures and fittings | 5 years |
|---|---------|

The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets is dealt with in the profit and loss account in the year in which it arises.

# Melka Trading Limited

## Notes to the financial statements for the year ended 1 February 2020

### 1 Trading

The company has not traded during the year or the preceding financial year. During these years, the company received no income and incurred no expenditure and therefore made neither profit nor loss.

### 2 Directors and employees

The directors did not receive any emoluments in respect of their services to the company. The company had no employees during the period.

### 3 Tangible Fixed assets

|  | Plant,<br>machinery,<br>fixtures and<br>fittings<br>€'000 |
|--|---|
| Cost                                   |   |
| At 2 February 2019 and 1 February 2020 | 301   |
| Accumulated depreciation               |   |
| At 2 February 2019 and 1 February 2020 | 301   |
| Net book amount                        |   |
| At 1 February 2020                     | -   |
| At 2 February 2019                     | -   |

# Melka Trading Limited

## Notes to the financial statements for the year ended 1 February 2020 (continued)

### 4 Debtors

|               | 1 February<br>2020<br>€'000 | 2 February<br>2019<br>€'000 |
|---------------|-----------------------------|-----------------------------|
| Trade debtors | 7,514                       | 7,514                       |
| Other debtors | 2,754                       | 2,754                       |
|               | <b>10,268</b>               | <b>10,268</b>               |

### 5 Creditors amounts falling due within one year

|                                   | 1 February<br>2020<br>€'000 | 2 February<br>2019<br>€'000 |
|-----------------------------------|-----------------------------|-----------------------------|
| Trade creditors                   | 10,223                      | 10,223                      |
| Amounts due to group undertakings | 19,296                      | 19,296                      |
| Taxation and social security      | 39                          | 39                          |
| Accruals and deferred income      | 285                         | 285                         |
|                                   | <b>29,843</b>               | <b>29,843</b>               |

The amounts due to group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand.



# Melka Trading Limited

## Notes to the financial statements for the year ended 1 February 2020 (continued)

### 6 Called up share capital

|  | 1 February<br>2020<br>€ | 2 February<br>2019<br>€ |
|--|-------------------------|-------------------------|
| Allotted and fully paid<br>Ordinary Shares of €1.40 each | 14                      | 14                      |

The statutory authorised share capital is 1,000 ordinary shares of £1 and the issued share capital is 10 ordinary shares of £1.

### 7 Reserves

|   | Profit and<br>loss reserve<br>€'000 |
|---|-------------------------------------|
| As at 1 February 2020 and 2 February 2019 | (19,415)                            |

### 8 Ultimate parent undertaking

The immediate parent company is Melka International for Trading and Marketing SAE, a company incorporated in Egypt.

At 1 February 2020, the ultimate parent company was Precious Pearl Investments, a company incorporated in the Cayman Islands.