

MALCOLMS MANAGEMENT LIMITED

COMPANY NO : 649821

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2000

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MALCOLMS MANAGEMENT LIMITED

REPORT OF THE AUDITORS TO THE DIRECTORS OF
MALCOLMS MANAGEMENT LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 7, together with the Financial Statements of the company for the year ended 31st March 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of Directors and Auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

Regent House
Bath Avenue
Wolverhampton
WV1 4EG



Muras Baker Jones & Co
Chartered Accountants
and Registered Auditors

26th January 2001

MALCOLMS MANAGEMENT LIMITED

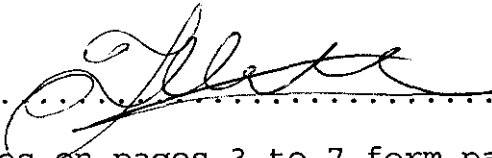
ABBREVIATED BALANCE SHEET

31ST MARCH 2000

	<u>NOTES</u>	<u>2000</u>	<u>1999</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	(2)	2,824,434	2,995,637
Investments	(3)	38,250	35,000
		2,862,684	3,030,637
<u>CURRENT ASSETS</u>			
Debtors		940,985	1,105,176
Cash at Bank and in Hand		156,638	291,341
		1,097,623	1,396,517
<u>CREDITORS: Amounts falling due</u>			
within one year	(4)	(1,946,272)	(2,414,275)
<u>Net Current Liabilities</u>		(848,649)	(1,017,758)
<u>Total Assets less Current</u>			
<u>Liabilities</u>		2,014,035	2,012,879
<u>Provisions for liabilities</u>			
<u>and charges</u>		(106,699)	(113,514)
<u>NET ASSETS</u>		1,907,336	1,899,365
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	(5)	2,100	2,100
Capital Reserve		2,855	2,855
Profit and Loss Account		1,902,381	1,894,410
<u>EQUITY SHAREHOLDERS FUNDS</u>		1,907,336	1,899,365

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated accounts were approved by the Board of Directors on 5th December 2000 and signed on its behalf by:

.....  J. Q. Malcolm (Director)

The notes on pages 3 to 7 form part of these Abbreviated Financial Statements.

MALCOLMS MANAGEMENT LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

1. Accounting policies

The accounts have been prepared in accordance with the following accounting policies which have been used consistently in dealing with items which are considered material in relation to the company's accounts.

(a) Basis of accounting

The accounts have been prepared under the historical cost accounting rules.

(b) Depreciation and amortisation

Depreciation is calculated so as to write off the cost of tangible fixed assets by reducing instalments over their estimated useful lives as follows:

Freehold Buildings	2% Straight Line
Leasehold Buildings	2% Straight Line
Plant and Machinery	20% Reducing Balance
Fixtures, Fittings and Equipment	20% Reducing Balance
Motor Vehicles	25% Reducing Balance

(c) Turnover

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied to third parties.

(d) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

(e) Pensions

The Company contributes towards a money purchase executive pension plan for the benefit of Directors and employees. The assets of the scheme are invested and managed independently of the finances of the company.

(f) Cash Flow Statement

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 from producing cash flow statements on the grounds that it is a small company.

(g) Research and Development

Expenditure on research and development is written off against profits in the year in which it is incurred.

h) Other Investments

Other investments are included in the financial statements at market value based on the directors own valuation.

i) Foreign Currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

j) Leasing Commitments

Rentals under operating leases have been charged to profit and loss account on a straight line basis.

MALCOLMS MANAGEMENT LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

2. Tangible Fixed Assets

	<u>Total</u> <u>2000</u> £	<u>Total</u> <u>1999</u> £
<u>Cost:</u>		
At 31.3.99	4,173,564	4,627,230
Additions	570,345	181,134
Grant Received	-	-
Disposals	(116,680)	(388,201)
	<u>4,627,229</u>	<u>4,420,163</u>
<u>Depreciation:</u>		
At 31.3.99	1,380,821	1,631,593
Charged	283,714	245,501
Disposals	(32,942)	(281,365)
	<u>1,631,593</u>	<u>1,595,729</u>
<u>Net Book Value:</u>		
At 31.3.99	<u>2,792,743</u>	<u>2,995,637</u>
At 31.3.00	<u>2,995,636</u>	<u>2,824,434</u>

3. Investments

	<u>Total</u> <u>2000</u> £	<u>Total</u> <u>1999</u> £
<u>Cost:</u>		
At 31.3.99	65,000	382,047
Additions	3,250	-
Transferred reclassification	-	(317,047)
	<u>68,250</u>	<u>65,000</u>
<u>Provisions:</u>		
At 31.3.99	30,000	30,000
Provided in the Year	-	-
Diminution in Value	-	-
	<u>30,000</u>	<u>30,000</u>
<u>Net Book Value:</u>		
At 31.3.00	<u>35,000</u>	<u>35,000</u>

MALCOLMS MANAGEMENT LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

4. Bank loans and overdrafts

	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
<u>Creditors include:</u>		
Bank Overdraft	-	1,600,958

The bank overdraft facilities are secured by a interlocking group cross guarantee (see note 8)

5. Share Capital

	<u>2000</u> <u>No</u>	<u>1999</u> <u>No</u>
<u>Authorised:</u> 25,000 Ordinary Shares of £1 each	<u>25,000</u>	<u>25,000</u>
	£	£
<u>Allotted, called-up and fully paid</u>		
2,100 Ordinary Shares of £1 each	<u>2,100</u>	<u>2,100</u>

6. Directors Current Account

During the financial year a loan existed from the company to the directors of the company.

J. S. Malcolm

The amount made available at 1st April 1999 was £49,641 and at 31st March 2000 was £20,079. The maximum amount outstanding at any one time was £109,414 and the company has not charged or agreed to charge any interest on the advances made to the Director.

J. Q. Malcolm

The amount made available at 1st April 1999 was £44,257 and at 31st March 2000 was £78,169. The maximum amount outstanding at any one time was £78,169 and the company has not charged or agreed to charge any interest on the advances made to the Director.

A. J. Smith

The amount made available at 1st April 1999 was £2,341 and at 31st March 2000 was £NIL. The maximum amount outstanding at any one time was £2,341 and the company has not charged or agreed to charge any interest on the advances made to the Director.

MALCOLMS MANAGEMENT LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

7. Transactions in which Directors have an interest

The company conducted trade with the following companies in which the directors had a material interest:

<u>Director</u>	<u>Company</u>	<u>Nature of dealings</u>	
		<u>Sales</u> <u>(Management</u> <u>Services)</u>	<u>Sales</u> <u>(Rent of</u> <u>Site)</u>
		£	£
a) J.S./J.Q. Malcolm	Malcolm Enamellers (Midlands) Ltd	231,000	-
b) J.S./J.Q. Malcolm	Malcolm Enamellers (Developments) Ltd	91,000	-
c) J.S./J.Q. Malcolm	Malcolm Enamellers (ACP) Ltd	332,048	180,000
		<u>654,048</u>	<u>180,000</u>

8. Contingent liabilities

The Company is party to an interlocking bank cross guarantee which secures the bank facilities of the following companies:

Malcolm Enamellers (Midlands) Limited

Malcolm Enamellers (Developments) Limited

Adjetek Limited

Malcolm (UK) Limited

Malcolm Enamellers Limited

Malcolm Enamellers ACP Limited

The maximum potential liability at 31st March 2000 was £391,200 (1999 £208,262).

MALCOLMS MANAGEMENT LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (Continued)

9. Related parties

The nature of the related party relationship and the aggregate balance from/(to) the related party at the year end in respect of all activities is as follows:

<u>Related Party</u>	<u>Relationship</u>	<u>Balance due from/(to) the Related Party</u>	
		<u>At 31/3/00</u>	<u>At 31/3/99</u>
Malcolms Enamellers Ltd	The company is controlled by J.S. Malcolm who owns 99% of the issued share capital of the company	(171,431)	(325,111)
Malcolm Enamellers (ACP) Ltd	The company is controlled by J.S. Malcolm and J.Q. Malcolm who own 100% of the issued share capital of the company	162,049	449,973
Malcolm Enamellers (Developments) Ltd	The company is controlled by J.S. Malcolm who owns 99% of the issued share capital of the company	(472,219)	(119,071)
Malcolm Enamellers (Midlands) Ltd	Company controlled by J.S. Malcolm and J.Q. Malcolm who are both directors and in which J.S. Malcolm owns 99% of the issued share capital	(96,240)	533,336
Adjetek Ltd	Company controlled by J.S. Malcolm and J.Q. Malcolm who are both directors and in which J. Q.. Malcolm owns 65% of the issued share capital	(200,653)	(200,653)

Details of transactions with related parties are given in note 7.