

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD
3 FEBRUARY 2003 TO 28 FEBRUARY 2004
FOR
S P MEDLEY LIMITED**



**Pethericks
& Gillard**

Chartered Accountants



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FOR THE PERIOD 3 FEBRUARY 2003 TO 28 FEBRUARY 2004**

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S P MEDLEY LIMITED

COMPANY INFORMATION

FOR THE PERIOD 3 FEBRUARY 2003 TO 28 FEBRUARY 2004

DIRECTORS:

S P Medley
Mrs G A Medley

SECRETARY:

S P Medley

REGISTERED OFFICE:

38 St James Square
BATH
BA1 2TU

REGISTERED NUMBER:

4654792 (England and Wales)

ACCOUNTANTS:

Pethericks and Gillard
124 High Street
Midsomer Norton
BATH
BA3 2DA

S P MEDLEY LIMITED

REPORT OF THE DIRECTORS

FOR THE PERIOD 3 FEBRUARY 2003 TO 28 FEBRUARY 2004

The directors present their report with the financial statements of the company for the period 3 February 2003 to 28 February 2004.

INCORPORATION

The company was incorporated on 3 February 2003 and commenced trading on 1 March 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of medical dispensing and cosmetic retail.

DIRECTORS

The directors during the period under review were:

S P Medley	- appointed 1.3.03
Mrs G A Medley	- appointed 1.3.03

The beneficial interests of the directors holding office on 28 February 2004 in the issued share capital of the company were as follows:

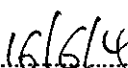
	28.2.04	at date of appointment
Ordinary £1 shares		
S P Medley	60	60
Mrs G A Medley	40	40

Both the directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

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:

.....
S P Medley - Director

Date:
16/6/04

S P MEDLEY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 3 FEBRUARY 2003 TO 28 FEBRUARY 2004

	Notes	£
TURNOVER		576,735
Cost of sales		<u>431,041</u>
GROSS PROFIT		145,694
Administrative expenses		<u>92,402</u>
OPERATING PROFIT	2	53,292
Interest payable and similar charges		<u>14,783</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		38,509
Tax on profit on ordinary activities	3	<u>6,750</u>
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		31,759
Dividends	4	<u>31,000</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£759</u></u>

The notes form part of these financial statements

S P MEDLEY LIMITED

BALANCE SHEET
28 FEBRUARY 2004

	Notes	£	£
FIXED ASSETS:			
Intangible assets	5		185,000
Tangible assets	6		764
			185,764
 CURRENT ASSETS:			
Stocks		58,965	
Debtors	7	88,752	
Cash in hand		912	
		148,629	
 CREDITORS: Amounts falling due within one year	8	333,534	
 NET CURRENT LIABILITIES:			(184,905)
 TOTAL ASSETS LESS CURRENT LIABILITIES:			£859
 CAPITAL AND RESERVES:			
Called up share capital	9		100
Profit and loss account			759
 SHAREHOLDERS' FUNDS:			£859

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ended 28 February 2004.

The members have not required the company to obtain an audit of its financial statements for the period ended 28 February 2004 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- 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 June 2002).

ON BEHALF OF THE BOARD:


.....
S P Medley - Director

Approved by the Board on 16/6/4

The notes form part of these financial statements

S P MEDLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 3 FEBRUARY 2003 TO 28 FEBRUARY 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2003, is being written off evenly over its estimated useful life of nil years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 15% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the period are charged in the profit and loss account.

2. OPERATING PROFIT

The operating profit is stated after charging:

	£
Depreciation - owned assets	136
Pension costs	3,150
	<u> </u>
Directors' emoluments and other benefits etc	10,295
	<u> </u>

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows:

	£
Current tax:	
UK corporation tax	6,750
	<u> </u>
Tax on profit on ordinary activities	6,750
	<u> </u>

4. DIVIDENDS

	£
Final - share type 1	31,000
	<u> </u>

S P MEDLEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 3 FEBRUARY 2003 TO 28 FEBRUARY 2004**

5. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u>
	£
COST:	
Additions	185,000
	<u>185,000</u>
At 28 February 2004	<u>185,000</u>
NET BOOK VALUE:	
At 28 February 2004	<u><u>185,000</u></u>

6. TANGIBLE FIXED ASSETS

	<u>Fixtures and fittings</u>
	£
COST:	
Additions	900
	<u>900</u>
At 28 February 2004	<u>900</u>
DEPRECIATION:	
Charge for period	136
	<u>136</u>
At 28 February 2004	<u>136</u>
NET BOOK VALUE:	
At 28 February 2004	<u><u>764</u></u>

**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	£
Trade debtors	83,320
Prepayments & accrued income	582
Vat Recoverable	4,850
	<u>88,752</u>

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	£
Bank loans and overdrafts	181,289
Trade creditors	85,936
Other creditors	5,122
Directors' current accounts	51,717
Taxation	6,750
Accrued expenses	2,720
	<u>333,534</u>

S P MEDLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 3 FEBRUARY 2003 TO 28 FEBRUARY 2004

9. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	£
Number:	Class:		
1,000	Ordinary	£1	<u>1,000</u>
Allotted, issued and fully paid:		Nominal value:	£
Number:	Class:		
100	Ordinary	£1	<u>100</u>

The following shares were allotted and fully paid for cash at par during the period:

99 Ordinary shares of £1 each

S P MEDLEY LIMITED

REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF
S P MEDLEY LIMITED

As described on the balance sheet you are responsible for the preparation of the financial statements for the period ended 28 February 2004 set out on pages three to seven and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Pethericks and Gillard
124 High Street
Midsomer Norton
BATH
BA3 2DA

Pethericks & Gillard limited

Date: *16th June 2004*



S P MEDLEY LIMITED

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 3 FEBRUARY 2003 TO 28 FEBRUARY 2004**

	£	£
Income:		
Sales	123,923	
NHS Sales	452,812	
		576,735
Cost of sales:		
Purchases	490,006	
Closing stock	(58,965)	
		431,041
GROSS PROFIT		145,694
Expenditure:		
Directors' remuneration	10,295	
Social security	256	
Pension contributions	3,150	
Wages	33,496	
Telephone	1,722	
Postage and Stationery	1,596	
Motor expenses	550	
Accountancy	1,870	
Legal & professional fees	1,329	
Rent and Rates	14,528	
Insurance	1,636	
Light & heat	1,294	
Repairs and renewals	5,360	
Equipment Leasing	6,697	
Sundry and Subscriptions	4,619	
		88,398
		57,296
Finance costs:		
Bank interest	6,888	
Bank loan interest	7,895	
Bank charges	2,588	
Credit card	1,280	
		18,651
		38,645
Depreciation:		
Fixtures & fittings		136
NET PROFIT		£38,509

This page does not form part of the statutory financial statements