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MALA SPECIAL WORKS LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 1999**



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MALA SPECIAL WORKS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

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MALA SPECIAL WORKS LIMITED

COMPANY INFORMATION AS AT 31 MARCH 1999

DIRECTORS

K Crane
M A Crane
P F Zumeris
D Crane

SECRETARY

M A Crane

REGISTERED OFFICE

57 London Road
Enfield
Middlesex
EN2 6SW

REGISTERED NUMBER

1477730

BUSINESS ADDRESS

126 Petherton Road
London
N5 2RT

AUDITORS

Moore Stephens
Registered Auditors
Chartered Accountants
57 London Road
Enfield
Middlesex
EN2 6SW

MALA SPECIAL WORKS LIMITED

DIRECTORS' REPORT

The directors present their annual report with the audited financial statements of the company for the year ended 31 March 1999.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year continued to be the construction of air conditioning and refrigeration installations.

DIRECTORS AND THEIR INTERESTS

The following directors have served during the year:-

K Crane
M A Crane
P F Zumeris
D Crane

According to the register as required under the Companies Act 1985, the directors and their families had no beneficial interests in the shares of the company during the year.

The directors' interests in the shares of the ultimate holding company are disclosed in the accounts of that company.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

MALA SPECIAL WORKS LIMITED

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The auditors, Moore Stephens, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

SMALL COMPANY EXEMPTIONS

This report has been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

By order of the board:

A handwritten signature in black ink, appearing to read 'M A Crane', written in a cursive style.

M A Crane
Secretary

30 November 1999

MALA SPECIAL WORKS LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF 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 as to whether 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 affairs of the company as at 31 March 1999 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Moore Stephens
Registered Auditors
Chartered Accountants
57 London Road
Enfield
Middlesex
EN2 6SW

30 November 1999

MALA SPECIAL WORKS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1999

	Notes	1999 £	1998 £
TURNOVER		645,927	221,396
Cost of sales		500,298	148,712
GROSS PROFIT		145,629	72,684
Administrative expenses		153,968	32,432
OPERATING LOSS	2	(8,339)	40,252
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,339)	40,252
Tax on loss on ordinary activities		-	(8,145)
LOSS FOR THE FINANCIAL YEAR		(8,339)	32,107
Dividends		(130,000)	-
ACCUMULATED LOSS FOR THE FINANCIAL YEAR	8	(138,339)	32,107

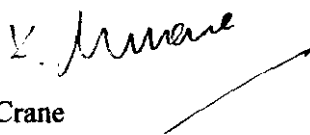
MALA SPECIAL WORKS LIMITED

BALANCE SHEET AT 31 MARCH 1999

	Notes	£	1999 £	£	1998 £
FIXED ASSETS					
Tangible assets	3		-		1,061
CURRENT ASSETS					
Stocks	4	9,200		16,542	
Debtors	5	95,059		210,990	
Cash at bank and in hand		153,811		141	
		<u>258,070</u>		<u>227,673</u>	
CREDITORS: amounts falling due within one year	6	<u>(226,492)</u>		<u>(58,817)</u>	
NET CURRENT ASSETS			<u>31,578</u>		<u>168,856</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>31,578</u>		<u>169,917</u>
CAPITAL AND RESERVES					
Called up share capital	7		100		100
Profit and loss account	8		<u>31,478</u>		<u>169,817</u>
TOTAL SHAREHOLDERS' FUNDS			<u>31,578</u>		<u>169,917</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the board of directors on 30 November 1999 and signed on its behalf by:


K Crane
Director

MALA SPECIAL WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities.

Consolidation

The company forms part of a medium-sized group. The ultimate parent company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Depreciation of tangible fixed assets

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

Plant and machinery	25% on reducing balance
---------------------	-------------------------

Stocks

Work in progress is stated at the lower of cost and net realisable value.

Attributable profit and turnover in respect of long term contracts are calculated by applying the expected mark up on jobs to the appropriate costs included in cost of sales.

2. OPERATING LOSS

Operating loss is stated:	1999	1998
	£	£
After charging:		
Depreciation of fixed assets	-	187

Auditors remuneration is paid by a fellow subsidiary, Mala Engineering Limited.

MALA SPECIAL WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

3. TANGIBLE FIXED ASSETS

	Plant and machinery etc. £
Net book value:	
At 31 March 1999	-
At 31 March 1998	<u>1,061</u>

4. STOCKS

	1999 £	1998 £
Work in progress	<u>9,200</u>	<u>16,542</u>

5. DEBTORS

	1999 £	1998 £
Trade debtors	3,326	53,390
Amounts owed by group undertakings	<u>91,733</u>	<u>157,600</u>
	<u>95,059</u>	<u>210,990</u>

6. CREDITORS: amounts falling due within one year

	1999 £	1998 £
Bank loans and overdrafts (secured)	-	14,150
Trade creditors	65,384	35,637
Amounts owed to group undertakings	24,135	-
Other creditors	<u>136,973</u>	<u>9,030</u>
	<u>226,492</u>	<u>58,817</u>

Bank overdrafts amounting to £- (1998 £14,150) are secured by a floating charge on all the assets of the company.

MALA SPECIAL WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

7. SHARE CAPITAL

	1999	1998
	£	£
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

8. PROFIT AND LOSS ACCOUNT

	1999	1998
	£	£
Retained profit at 1 April 1998	169,817	137,710
Loss for the year	<u>(138,339)</u>	<u>32,107</u>
Retained profit at 31 March 1999	<u>31,478</u>	<u>169,817</u>

9. RELATED PARTY DISCLOSURES

During the year the company undertook the following transactions with its fellow subsidiaries:-

	1999	1998
	£	£
Subcontract works provided:	48,939	105,378
Subcontract turnover:	524,763	91,594
Payment of service charges:	124,062	30,000

10. CONTROLLING PARTIES

The ultimate parent company is Mala Investments Limited a company incorporated in England.