

Company Registration No. 1477730 (England and Wales)

REGISTRAR'S COPY

MALA SPECIAL WORKS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000



MALA SPECIAL WORKS LIMITED

COMPANY INFORMATION

Directors

K Crane
M A Crane
P F Zumeris
D Crane

Secretary

M A Crane

Company number

1477730

Registered office

57 London Road
Enfield
Middlesex
EN2 6SW

Auditors

Moore Stephens
57 London Road
Enfield
Middlesex
EN2 6SW

Business address

126 Petherton Road
London
N5 2RT

MALA SPECIAL WORKS LIMITED

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MALA SPECIAL WORKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

The directors present their report and financial statements for the year ended 31 March 2000.

Principal activities

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

Year 2000

The costs incurred in ensuring that the company was not adversely affected by the Year 2000 problem were not material. No significant problems resulting from the Year 2000 have been experienced and no further problems are envisaged.

Directors

The following directors have held office since 1 April 1999:

K Crane
M A Crane
P F Zumeris
D Crane

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2000	1 April 1999
K Crane	-	-
M A Crane	-	-
P F Zumeris	-	-
D Crane	-	-

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

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Moore Stephens be reappointed as auditors of the company will be put to the Annual General Meeting.

M_S

MALA SPECIAL WORKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

Directors' responsibilities

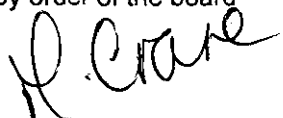
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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 keeping 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.

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

By order of the board



M A Crane

Director

9 November 2000

M_S

MALA SPECIAL WORKS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF MALA SPECIAL WORKS LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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 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 as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Moore Stephens

Chartered Accountants
Registered Auditor

9 November 2000

57 London Road
Enfield
Middlesex
EN2 6SW

MS

MALA SPECIAL WORKS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000

		2000 £	1999 £
	Notes		
Turnover		655,049	645,927
Cost of sales		(462,583)	(500,298)
Gross profit		192,466	145,629
Administrative expenses		(187,471)	(153,968)
Profit/(loss) on ordinary activities before taxation	2	4,995	(8,339)
Tax on profit/(loss) on ordinary activities	3	(1,495)	-
Profit/(loss) on ordinary activities after taxation		3,500	(8,339)
Dividends		-	(130,000)
Retained profit/(loss) for the year	8	3,500	(138,339)

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MALA SPECIAL WORKS LIMITED

BALANCE SHEET AS AT 31 MARCH 2000

	Notes	2000 £	£	1999 £	£
Current assets					
Stocks	4	49,119		9,200	
Debtors	5	64,688		95,059	
Cash at bank and in hand		194,020		153,811	
		<u>307,827</u>		<u>258,070</u>	
Creditors: amounts falling due within one year	6	<u>(272,749)</u>		<u>(226,492)</u>	
Total assets less current liabilities			<u>35,078</u>		<u>31,578</u>
Capital and reserves					
Called up share capital	7		100		100
Profit and loss account	8		34,978		31,478
Shareholders' funds			<u>35,078</u>		<u>31,578</u>

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 March 2000).

The financial statements were approved by the Board on 9 November 2000



K Crane
Director

Ms

MALA SPECIAL WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 2000).

1.2 Turnover and profits

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

1.3 Group accounts

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.

2	Operating profit/(loss)	2000 £	1999 £
	Operating profit/(loss) is stated after charging:		
	Directors' emoluments	33,144	-

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

3	Taxation	2000 £	1999 £
	U.K. current year taxation		
	U.K. corporation tax at 0% (1999 - 0%)	1,500	-
	Prior years		
	U.K. corporation tax	(5)	-
		1,495	-

4	Stocks	2000 £	1999 £
	Work in progress	49,119	9,200

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MALA SPECIAL WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

5 Debtors	2000	1999
	£	£
Trade debtors	(2,085)	3,326
Amounts owed by group undertakings and undertakings in which the company has a participating interest	61,963	91,733
Other debtors	4,810	-
	<u>64,688</u>	<u>95,059</u>
 6 Creditors: amounts falling due within one year	 2000	 1999
	£	£
Trade creditors	81,642	65,384
Amounts owed to group undertakings and undertakings in which the company has a participating interest	148,748	24,135
Taxation and social security	5,943	-
Other creditors	36,416	136,973
	<u>272,749</u>	<u>226,492</u>
 7 Share capital	 2000	 1999
	£	£
Authorised		
100 Ordinary shares of £ 1 each	100	100
	<u>100</u>	<u>100</u>
 Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100
	<u>100</u>	<u>100</u>
 8 Statement of movements on profit and loss account		
		Profit and loss account £
Balance at 1 April 1999		31,478
Retained profit for the year		3,500
		<u>34,978</u>
Balance at 31 March 2000		<u>34,978</u>
		<u><u>Ms</u></u>

MALA SPECIAL WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

9 Control

The ultimate parent company is Mala Investments Limited, a company registered in England and Wales.

10 Related party transactions

During the year the company undertook the following transactions with its fellow subsidiaries: Subcontract works provided: £630,720 (1999: £48,939); Subcontracted turnover: £185,088 (1999: £524,763); Group service charge: £140,596 (1999: £124,062).