

**REGISTRAR'S COPY**

**REPORT OF THE DIRECTORS AND  
AUDITED  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012  
FOR  
MALA INVESTMENTS LIMITED**

THURSDAY



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FOR THE YEAR ENDED 31 MARCH 2012**

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**MALA INVESTMENTS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**DIRECTORS:**

K Crane  
P F Zumens

**SECRETARY:**

L Spong

**REGISTERED OFFICE.**

57 London Road  
Enfield  
Middlesex  
EN2 6SW

**REGISTERED NUMBER.**

01477836

**AUDITORS:**

Moore Stephens Enfield Limited  
Statutory Auditor  
57 London Road  
Enfield  
Middlesex  
EN2 6SW

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2012**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2012

**RESULTS**

The profit and loss account for the group appears on page 5 and discloses a profit before taxation of £50,949 (2011 £68,440 loss). The profit after taxation and minority interests amounted to £32,001 (2011 £48,229 loss), the full amount being taken to reserves.

**REVIEW OF BUSINESS**

The company's principal activity continued to be that of a holding company. The company's subsidiaries continued to trade in the installation, sale or maintenance of commercial air conditioning, refrigeration and heating equipment or provide services complementary to these trades. The directors expect to continue with the group's principal activities in the next year.

Despite the sluggish UK economic recovery, we are pleased to report a 74% increase in turnover from £7,352,130 to £12,806,480. As a result of the increase in trade, gross profit has increased by 31%, and despite an increase of £373,905 in Distribution and Administrative Expenses, the group has generated an operating profit of £59,360 this year compared to an operating loss of £68,440 in the previous year.

Our Shareholders' Funds increased by £32,001 as a result of profits retained for the year, and the group remains well capitalised with significantly higher bank deposits at the year-end.

Despite the increase in trade, the economic climate is still uncertain and we remain cautious in our outlook.

The directors consider the following to be the principal risks and uncertainties facing the group,

- a very slow improvement in the UK economy
- increases in taxation reducing customer spending on industrial and commercial construction projects
- market competition

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2012.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report.

K Crane  
P F Zumens

**FINANCIAL INSTRUMENTS**

The group does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with trading on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

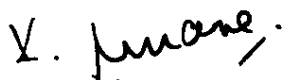
**LAND AND BUILDINGS**

The directors consider the market value of land and buildings to exceed their book values.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



K Crane - Director

Date - 3 DEC 2012

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 MARCH 2012**

The directors are responsible for preparing the Report of the Directors and the 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the group and of the profit or loss of the group 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,
- 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 and the group'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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
MALA INVESTMENTS LIMITED**

We have audited the financial statements of Mala Investments Limited for the year ended 31 March 2012 on pages five to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

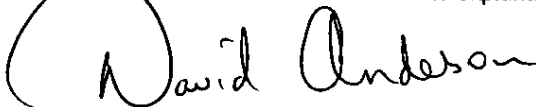
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



David Anderson (Senior Statutory Auditor)  
for and on behalf of Moore Stephens Enfield Limited  
Statutory Auditor  
57 London Road  
Enfield  
Middlesex  
EN2 6SW

Date

14 December 2012

**MALA INVESTMENTS LIMITED (REGISTERED NUMBER. 01477836)**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	31 3 12 £	31 3 11 £
<b>TURNOVER</b>	<b>2</b>	<b>12,806,480</b>	<b>7,352,130</b>
Cost of sales		<u>(10,676,127)</u>	<u>(5,725,248)</u>
<b>GROSS PROFIT</b>		<b>2,130,353</b>	<b>1,626,882</b>
Distribution costs		(88,435)	(65,183)
Administrative expenses		<u>(1,994,593)</u>	<u>(1,643,940)</u>
		<b>47,325</b>	<b>(82,241)</b>
Other operating income		<u>12,035</u>	<u>13,801</u>
<b>OPERATING PROFIT/(LOSS)</b>	<b>4</b>	<b>59,360</b>	<b>(68,440)</b>
Interest payable and similar charges	5	<u>(8,411)</u>	<u>-</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>50,949</b>	<b>(68,440)</b>
Tax on profit/(loss) on ordinary activities	6	<u>(15,895)</u>	<u>11,531</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>35,054</b>	<b>(56,909)</b>
Minority interest - equity		<u>(3,053)</u>	<u>8,680</u>
<b>RETAINED PROFIT/(DEFICIT) FOR THE FINANCIAL YEAR FOR THE GROUP</b>		<u><b>32,001</b></u>	<u><b>(48,229)</b></u>

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The group has no recognised gains or losses other than the profit for the current year and the loss for the previous year

The notes form part of these financial statements

**MALA INVESTMENTS LIMITED (REGISTERED NUMBER: 01477836)**

**CONSOLIDATED BALANCE SHEET  
31 MARCH 2012**

	Notes	31 3 12 £	31 3 11 £
<b>FIXED ASSETS</b>			
Tangible assets	8	137,586	67,294
Investments	9	-	-
		<u>137,586</u>	<u>67,294</u>
<b>CURRENT ASSETS</b>			
Stocks	10	85,920	133,423
Debtors	11	2,970,748	2,769,448
Cash at bank and in hand		2,429,375	1,812,687
		<u>5,486,043</u>	<u>4,715,558</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	(3,057,018)	(2,251,295)
<b>NET CURRENT ASSETS</b>		<u>2,429,025</u>	<u>2,464,263</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,566,611</u>	<u>2,531,557</u>
<b>MINORITY INTERESTS</b>	14	<u>102,269</u>	<u>99,216</u>
<b>NET ASSETS</b>		<u><u>2,464,342</u></u>	<u><u>2,432,341</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	118,541	118,541
Profit and loss account	16	2,345,801	2,313,800
<b>SHAREHOLDERS' FUNDS</b>	19	<u><u>2,464,342</u></u>	<u><u>2,432,341</u></u>

The financial statements were approved by the Board of Directors on its behalf by

- 3 DEC 2012

and were signed on

  
K Crane - Director

The notes form part of these financial statements



**MALA INVESTMENTS LIMITED (REGISTERED NUMBER: 01477836)**

**COMPANY BALANCE SHEET  
31 MARCH 2012**

	Notes	31 3 12 £	31 3 11 £
<b>FIXED ASSETS</b>			
Tangible assets	8	-	-
Investments	9	29,040	29,040
		<u>29,040</u>	<u>29,040</u>
<b>CURRENT ASSETS</b>			
Debtors	11	302,548	302,548
Cash in hand		723,290	732,734
		<u>1,025,838</u>	<u>1,035,282</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	(192,522)	(196,133)
		<u>833,316</u>	<u>839,149</u>
<b>NET CURRENT ASSETS</b>			
		<u>862,356</u>	<u>868,189</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>862,356</u>	<u>868,189</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	118,541	118,541
Share premium	16	28,436	28,436
Profit and loss account	16	715,379	721,212
		<u>862,356</u>	<u>868,189</u>
<b>SHAREHOLDERS' FUNDS</b>	19	<u>862,356</u>	<u>868,189</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

- 3 DEC 2012

The financial statements were approved by the Board of Directors on its behalf by

and were signed on



K Crane - Director

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	31 3 12 £	31 3 11 £
<b>Net cash inflow/(outflow) from operating activities</b>	1	788,717	(47,445)
<b>Returns on investments and servicing of finance</b>	2	(8,411)	-
<b>Taxation</b>		55	(26,099)
<b>Capital expenditure</b>	2	(163,673)	(466)
<b>Increase/(decrease) in cash in the period</b>		<u>616,688</u>	<u>(74,010)</u>

**Reconciliation of net cash flow  
to movement in net funds**

	3		
<b>Increase/(decrease) in cash in the period</b>		<u>616,688</u>	<u>(74,010)</u>
<b>Change in net funds resulting from cash flows</b>		<u>616,688</u>	<u>(74,010)</u>
<b>Movement in net funds in the period</b>		616,688	(74,010)
<b>Net funds at 1 April</b>		<u>1,812,687</u>	<u>1,886,697</u>
<b>Net funds at 31 March</b>		<u>2,429,375</u>	<u>1,812,687</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2012

1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31 3 12 £	31 3 11 £
Operating profit/(loss)	59,360	(68,440)
Depreciation charges	93,381	14,344
Decrease/(increase) in stocks	47,503	(46,294)
Increase in debtors	(201,300)	(157,454)
Increase in creditors	789,773	210,399
<b>Net cash inflow/(outflow) from operating activities</b>	<b>788,717</b>	<b>(47,445)</b>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31 3 12 £	31 3 11 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(8,411)	-
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(8,411)</b>	<b>-</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(163,673)	(466)
<b>Net cash outflow for capital expenditure</b>	<b>(163,673)</b>	<b>(466)</b>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/11 £	Cash flow £	At 31/3/12 £
<b>Net cash</b>			
Cash at bank and in hand	1,812,687	616,688	2,429,375
	<u>1,812,687</u>	<u>616,688</u>	<u>2,429,375</u>
<b>Total</b>	<b>1,812,687</b>	<b>616,688</b>	<b>2,429,375</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012

1 ACCOUNTING POLICIES

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

**Turnover**

Consolidated turnover represents amounts receivable for work undertaken or goods delivered during the year. Turnover is stated net of Value Added Tax.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation

Depreciation is provided to write off the cost of tangible fixed assets as follows

Short leasehold properties	15% reducing balance
Plant and machinery	15%-33% reducing balance
Computer equipment	25% straight line
Motor vehicles	25% reducing balance

**Stocks**

Stocks are valued at the lower of cost and net realisable value

The cost of stock is calculated on a first in first out basis

**Long term contract work in progress**

Amounts recoverable on long term contracts are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are deducted from debtors

**Deferred tax**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

**Operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term

**Pension costs**

The group operates two defined contribution pension schemes in respect of its employees. The assets of the schemes are held separately from those of the group. The pension cost charge represents the amount of the contributions payable to the schemes in respect of the year

**Consolidation**

The consolidated financial statements include the parent company and its subsidiaries. In accordance with the provision of Section 408 of the Companies Act 2006, a separate profit and loss account for Mala Investments Limited is not presented. The profits and losses of subsidiary undertakings are consolidated using the acquisition method

**Investments**

Fixed asset investments are stated at cost, less any provisions required where there has been a permanent diminution in their value.

2 TURNOVER

Consolidated turnover and results were derived wholly from activities within the UK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012

## 3 STAFF COSTS

	31 3 12	31 3 11
	£	£
Wages and salaries	775,671	848,113
Social security costs	79,830	76,346
Other pension costs	2,744	2,906
	<u>858,245</u>	<u>927,365</u>

The average monthly number of employees during the year was as follows

	31 3 12	31 3 11
Office and management	2	2
Sales and production	23	22
	<u>25</u>	<u>24</u>

As in previous years, the emoluments of the parent company directors were paid by a related company, Mala Engineering Limited, which charged the group for the provision of management and other services during the year

There are no directors for whom retirement benefits are accruing under money purchase pension schemes (2011 £nil) Pension contributions outstanding at the year-end amounted to £nil (2011 £nil)

The pension cost for the group amounted to £2,744 (2011 £2,906)

## 4 OPERATING PROFIT/(LOSS)

The operating profit (2011 - operating loss) is stated after charging

	31 3 12	31 3 11
	£	£
Depreciation - owned assets	<u>93,381</u>	<u>14,344</u>
Directors' remuneration	<u>-</u>	<u>-</u>

As in previous years, the auditors' remuneration for the group was paid by a related company, Mala Engineering Limited

## 5 INTEREST PAYABLE AND SIMILAR CHARGES

	31 3 12	31 3 11
	£	£
Other interest	<u>8,411</u>	<u>-</u>

## 6 TAXATION

## Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	31 3 12	31 3 11
	£	£
Current tax		
UK corporation tax	27,972	(8,896)
Adjustment to prior years	<u>(12,077)</u>	<u>(2,635)</u>
Tax on profit/(loss) on ordinary activities	<u>15,895</u>	<u>(11,531)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012

## 6 TAXATION - continued

**Factors affecting the tax charge/(credit)**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	31 3 12 £	31 3 11 £
Profit/(loss) on ordinary activities before tax	<u>50,949</u>	<u>(68,440)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 - 21%)	10,190	(14,372)
Effects of		
Expenses not deductible for tax purposes	16,863	2,585
Depreciation in excess of capital allowances	645	1,263
Adjustments to tax charge in respect of previous periods	(12,077)	(2,635)
Other adjustments	1,691	142
Unutilised tax losses c/fwd	-	1,486
Utilisation of tax losses b/fwd	<u>(1,417)</u>	<u>-</u>
Current tax charge/(credit)	<u>15,895</u>	<u>(11,531)</u>

**Factors that may affect future tax charges**

At the balance sheet date, there were no factors which would materially affect future tax charges

## 7 LOSS OF PARENT COMPANY

The parent company's loss for the financial year after taxation was £5,833 (2011 £1,833 profit)

The company has taken advantage of the exemption conferred by Section 408 of the Companies Act 2006, in not publishing its own profit and loss account

## 8 TANGIBLE FIXED ASSETS

Group	Short leasehold £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 April 2011	40,067	322,390	22,360	384,817
Additions	<u>159,624</u>	<u>4,049</u>	<u>-</u>	<u>163,673</u>
At 31 March 2012	<u>199,691</u>	<u>326,439</u>	<u>22,360</u>	<u>548,490</u>
<b>DEPRECIATION</b>				
At 1 April 2011	38,091	262,356	17,076	317,523
Charge for year	<u>80,108</u>	<u>11,952</u>	<u>1,321</u>	<u>93,381</u>
At 31 March 2012	<u>118,199</u>	<u>274,308</u>	<u>18,397</u>	<u>410,904</u>
<b>NET BOOK VALUE</b>				
At 31 March 2012	<u>81,492</u>	<u>52,131</u>	<u>3,963</u>	<u>137,586</u>
At 31 March 2011	<u>1,976</u>	<u>60,034</u>	<u>5,284</u>	<u>67,294</u>

**MALA INVESTMENTS LIMITED (REGISTERED NUMBER: 01477836)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012**

**9 FIXED ASSET INVESTMENTS**

**Company**

Shares in  
group  
undertakings  
£

**COST**

At 1 April 2011  
and 31 March 2012

29,040

**NET BOOK VALUE**

At 31 March 2012

29,040

At 31 March 2011

29,040

Details of the investments in which the company holds 20% or more of the nominal value of any class of shares are as follows

Company	Country of registration incorporation	Class of shares held	Holding and voting rights
Mala Electrical Limited	England and Wales	Ordinary	90%
Mala Mechanical Services Limited	England and Wales	Ordinary	100%
Mala Special Works Limited	England and Wales	Ordinary	100%
Mala Maintenance Limited	England and Wales	Ordinary	90%
Mala Designs Limited	England and Wales	Ordinary	100%
Mala Management Limited	England and Wales	Ordinary	80%

Mala Management Limited and Mala Designs Limited do not trade. All of the other companies trade in the installation, sale or maintenance of commercial air conditioning, refrigeration and heating equipment or provide services complementary to these trades.

**10 STOCKS**

	<b>Group</b>	
	31 3 12	31 3 11
	£	£
Work-in-progress	<u>85,920</u>	<u>133,423</u>

**11 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31 3 12	31 3 11	31 3 12	31 3 11
	£	£	£	£
Trade debtors	2,953,325	2,554,859	-	-
Amounts owed by group undertakings	-	-	285,345	285,345
Other debtors	17,423	214,589	17,203	17,203
	<u>2,970,748</u>	<u>2,769,448</u>	<u>302,548</u>	<u>302,548</u>

Included within trade debtors are trade balances of £1,901,550 (2011: £1,290,606) owed by Mala Engineering Limited, a company in which K Crane and P F Zumens are directors and shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012

## 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31 3 12	31 3 11	31 3 12	31 3 11
	£	£	£	£
Trade creditors	2,624,394	1,909,193	-	-
Amounts owed to group undertakings	-	-	60	60
Tax	114,907	98,957	86,894	98,916
VAT	170,477	81,418	-	-
Other creditors	43,137	54,578	2,778	2,778
Accruals and deferred income	104,103	107,149	102,790	94,379
	<u>3,057,018</u>	<u>2,251,295</u>	<u>192,522</u>	<u>196,133</u>

Included within trade creditors are trade balances of £383,678 (2011 £434,425) owed to Mala Engineering Limited, a company in which K Crane and P F Zumens are directors and shareholders

## 13 OPERATING LEASE COMMITMENTS

At the year end, the group was committed to making the following payments during the next year in respect of non-cancellable operating leases with expiry dates as follows

Group	Other operating leases	
	31 3 12	31 3 11
	£	£
Expiring		
Within one year	3,207	3,336
Between one and five years	29,326	13,135
In more than five years	4,008	12,764
	<u>36,541</u>	<u>29,235</u>

The above commitments are in respect of the hire of vehicles

## 14 MINORITY INTERESTS

The minority interests have been calculated on the basis of the Group's effective ownership of the subsidiaries in which it does not own 100 per cent of the ordinary shares

## 15 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid				
Number	Class	Nominal value	31 3 12	31 3 11
			£	£
119	Ordinary shares	£1	119	119
118,422	Preference shares	£1	118,422	118,422
			<u>118,541</u>	<u>118,541</u>

The preference shares are irredeemable and carry a dividend at a rate of 2% below the base rate of National Westminster Bank plc. The shares carry no voting rights and rank prior to the ordinary shares on winding up for the amounts paid up on preference shares together with any arrears of the fixed dividend calculated to the date of such repayment. As at 31 March 2012, the shareholders have waived their entitlement to the accumulated dividends



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012

## 16 RESERVES

## Group

	Profit and loss account £
At 1 April 2011	2,313,800
Profit for the year	32,001
At 31 March 2012	<u>2,345,801</u>

## Company

	Profit and loss account £	Share premium £	Totals £
At 1 April 2011	721,212	28,436	749,648
Deficit for the year	(5,833)		(5,833)
At 31 March 2012	<u>715,379</u>	<u>28,436</u>	<u>743,815</u>

## 17 CAPITAL COMMITMENTS

At the year end, the group had no significant capital commitments (2011 £nil)

## 18 RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemptions available under Financial Reporting Standard No 8, not to disclose any transactions or balances with entities that are 100% controlled by Mala Investments Limited

The group's ultimate controlling party is K Crane and M A Crane jointly

During the year, the group charged Mala Engineering Limited, a company in which K Crane and P F Zumens are directors and shareholders, rent of £11,666 (2011 £13,332)

Total group sales to Mala Engineering Limited during the year amounted to £3,184,622 (2011 £1,763,954)

During the year, total service charges payable to Mala Engineering Limited amounted to £1,441,843 (2011 £1,060,992) These charges were in respect of management and other services provided to the group during the year

During the year, tangible assets of £159,624 (2011 £nil) were acquired from Mala Engineering Ltd

During the year, the group was charged rent of £19,998 (2011 £9,999) by the Mala Directors' Pension Fund At the year end, the group owed the Pension Fund £77,778 (2011 £77,778)

At the year end, the net amount owed by Mala Engineering Limited to the group was £999,307 (2011 £913,457)

## 19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

## Group

	31 3 12 £	31 3 11 £
Profit/(loss) for the financial year	32,001	(48,229)
Net addition/(reduction) to shareholders' funds	32,001	(48,229)
Opening shareholders' funds	2,432,341	2,480,570
Closing shareholders' funds	<u>2,464,342</u>	<u>2,432,341</u>

**MALA INVESTMENTS LIMITED (REGISTERED NUMBER: 01477836)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012**

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued**

**Company**

	31 3 12	31 3 11
	£	£
(Loss)/profit for the financial year	(5,833)	1,833
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(5,833)</b>	<b>1,833</b>
Opening shareholders' funds	868,189	866,356
<b>Closing shareholders' funds</b>	<b>862,356</b>	<b>868,189</b>