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**REPORT OF THE DIRECTORS AND
AUDITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013
FOR
MALA INVESTMENTS LIMITED**

TUESDAY



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**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

	Page
Company Information	1
Report of the Directors	2
Statement of Directors' Responsibilities	3
Report of the Independent Auditors	4
Consolidated Profit and Loss Account	5
Consolidated Balance Sheet	6
Company Balance Sheet	7
Consolidated Cash Flow Statement	8
Notes to the Consolidated Cash Flow Statement	9
Notes to the Consolidated Financial Statements	10
Consolidated Trading and Profit and Loss Account	17

MALA INVESTMENTS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2013

DIRECTORS	K Crane P Zumeris
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 2013**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2013

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 complimentary to these trades. The directors expect to continue with the group's principal activities in the next year.

Due to the sluggish UK economic recovery, turnover for the group has fallen from £12,806,480 to £9,536,396. Mala Investment Limited's subsidiaries performed to expectations during the year, although Mala Mechanical Services Limited suffered a reduction in turnover due to the difficult trading conditions affecting the construction industry in particular. Despite the reduction in overall turnover, the group has managed to maintain its gross and operating profit margins of 16.3% (2012: 16.6%) and 0.38% (2012: 0.46%) respectively.

Despite a decrease in our Shareholders' Funds of £68,115, the group remains well capitalised with significant bank deposits at the year-end.

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 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2012 to the date of this report.

K Crane
P Zumeris

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 **28 OCT 2013**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2013**

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**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 2013 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2013 and of the group's loss 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.

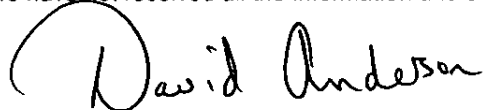
Opinion on other matter prescribed by the Companies Act 2006

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 29 October 2013

MALA INVESTMENTS LIMITED (REGISTERED NUMBER: 01477836)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Notes	31 3 13 £	31 3 12 £
TURNOVER	2	9,536,396	12,806,480
Cost of sales		(7,977,570)	(10,676,127)
GROSS PROFIT		1,558,826	2,130,353
Distribution costs		(90,531)	(88,435)
Administrative expenses		(1,522,591)	(1,994,593)
		(54,296)	47,325
Other operating income		10,368	12,035
OPERATING (LOSS)/PROFIT	4	(43,928)	59,360
Interest payable and similar charges	5	(1,428)	(8,411)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(45,356)	50,949
Tax on (loss)/profit on ordinary activities	6	(16,740)	(15,895)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(62,096)	35,054
Minority interest - equity		(6,019)	(3,053)
(DEFICIT)/RETAINED PROFIT FOR CARRIED FORWARD		(68,115)	32,001

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 loss for the current year and the profit for the previous year

The notes form part of these financial statements

MALA INVESTMENTS LIMITED (REGISTERED NUMBER 01477836)

**CONSOLIDATED BALANCE SHEET
31 MARCH 2013**

	Notes	31 3 13 £	31 3 12 £
FIXED ASSETS			
Tangible assets	8	49,991	137,586
Investments	9	-	-
		<u>49,991</u>	<u>137,586</u>
CURRENT ASSETS			
Stocks	10	222,631	85,920
Debtors	11	2,954,380	2,970,748
Cash in hand		1,922,189	2,429,375
		<u>5,099,200</u>	<u>5,486,043</u>
CREDITORS			
Amounts falling due within one year	12	(2,644,675)	(3,057,018)
NET CURRENT ASSETS		<u>2,454,525</u>	<u>2,429,025</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,504,516</u>	<u>2,566,611</u>
MINORITY INTERESTS	14	<u>108,289</u>	<u>102,269</u>
NET ASSETS		<u><u>2,396,227</u></u>	<u><u>2,464,342</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	118,541	118,541
Profit and loss account	16	2,277,686	2,345,801
SHAREHOLDERS' FUNDS	19	<u><u>2,396,227</u></u>	<u><u>2,464,342</u></u>

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

28 OCT 2013

and were signed on its behalf



K Crane - Director

The notes form part of these financial statements

MALA INVESTMENTS LIMITED (REGISTERED NUMBER 01477836)

**COMPANY BALANCE SHEET
31 MARCH 2013**

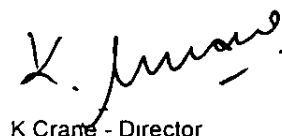
	Notes	31 3 13 £	31 3 12 £
FIXED ASSETS			
Tangible assets	8	-	-
Investments	9	29,040	29,040
		<u>29,040</u>	<u>29,040</u>
CURRENT ASSETS			
Debtors	11	302,548	302,548
Cash in hand		635,777	723,290
		<u>938,325</u>	<u>1,025,838</u>
CREDITORS			
Amounts falling due within one year	12	(98,775)	(192,522)
		<u>839,550</u>	<u>833,316</u>
NET CURRENT ASSETS			
		<u>868,590</u>	<u>862,356</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>868,590</u>	<u>862,356</u>
CAPITAL AND RESERVES			
Called up share capital	15	118,541	118,541
Share premium	16	28,436	28,436
Profit and loss account	16	721,613	715,379
		<u>868,590</u>	<u>862,356</u>
SHAREHOLDERS' FUNDS	19	<u>868,590</u>	<u>862,356</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)

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

28 OCT 2013

and were signed on its behalf



K Crane - Director

The notes form part of these financial statements

MALA INVESTMENTS LIMITED (REGISTERED NUMBER 01477836)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013**

	Notes	31 3 13 £	31 3 12 £
Net cash (outflow)/inflow from operating activities	1	(391,018)	788,717
Returns on investments and servicing of finance	2	(1,428)	(8,411)
Taxation		(113,238)	55
Capital expenditure	2	(1,502)	(163,673)
(Decrease)/increase in cash in the period		<u>(507,186)</u>	<u>616,688</u>

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

	3		
(Decrease)/increase in cash in the period		<u>(507,186)</u>	<u>616,688</u>
Change in net funds resulting from cash flows		<u>(507,186)</u>	<u>616,688</u>
Movement in net funds in the period		<u>(507,186)</u>	<u>616,688</u>
Net funds at 1 April		<u>2,429,375</u>	<u>1,812,687</u>
Net funds at 31 March		<u><u>1,922,189</u></u>	<u><u>2,429,375</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013**

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

	31 3 13	31 3 12
	£	£
Operating (loss)/profit	(43,928)	59,360
Depreciation charges	89,098	93,381
(Increase)/decrease in stocks	(136,711)	47,503
Decrease/(increase) in debtors	16,368	(201,300)
(Decrease)/increase in creditors	(315,845)	789,773
Net cash (outflow)/inflow from operating activities	(391,018)	788,717

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

	31 3 13	31 3 12
	£	£
Returns on investments and servicing of finance		
Interest paid	(1,428)	(8,411)
Net cash outflow for returns on investments and servicing of finance	(1,428)	(8,411)
 Capital expenditure		
Purchase of tangible fixed assets	(1,502)	(163,673)
Net cash outflow for capital expenditure	(1,502)	(163,673)

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/12	Cash flow	At
	£	£	31/3/13
			£
Net cash			
Cash at bank and in hand	2,429,375	(507,186)	1,922,189
	<u>2,429,375</u>	<u>(507,186)</u>	<u>1,922,189</u>
 Total	 <u>2,429,375</u>	 <u>(507,186)</u>	 <u>1,922,189</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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

Pensions

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

MALA INVESTMENTS LIMITED (REGISTERED NUMBER 01477836)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

3 STAFF COSTS

	31 3 13	31 3 12
	£	£
Wages and salaries	827,529	775,671
Social security costs	83,308	79,830
Other pension costs	2,463	2,744
	<u>913,300</u>	<u>858,245</u>

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

	31 3 13	31 3 12
Office and management	2	2
Sales and production	24	23
	<u>26</u>	<u>25</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 (2012 none)
Pension contributions outstanding at the year-end amounted to £nil (2012 £nil)

The pension cost for the group amounted to £2,463 (2012 £2,744)

4 OPERATING (LOSS)/PROFIT

The operating loss (2012 - operating profit) is stated after charging

	31 3 13	31 3 12
	£	£
Depreciation - owned assets	<u>89,098</u>	<u>93,381</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 13	31 3 12
	£	£
Other interest	<u>1,428</u>	<u>8,411</u>

6 TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows

	31 3 13	31 3 12
	£	£
Current tax		
UK corporation tax	16,740	27,972
Adjustment to prior years	<u>-</u>	<u>(12,077)</u>
Tax on (loss)/profit on ordinary activities	<u>16,740</u>	<u>15,895</u>

MALA INVESTMENTS LIMITED (REGISTERED NUMBER 01477836)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

6 TAXATION - continued

Factors affecting the tax charge

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 13 £	31 3 12 £
(Loss)/profit on ordinary activities before tax	<u>(45,356)</u>	<u>50,949</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 20%)	(9,071)	10,190
Effects of		
Expenses not deductible for tax purposes	17,195	16,863
Depreciation in excess of capital allowances	545	645
Adjustments to tax charge in respect of previous periods	-	(12,077)
Other adjustments	56	1,691
Utilisation of tax losses b/fwd	-	(1,417)
Tax losses carried back	<u>8,015</u>	<u>-</u>
Current tax charge	<u><u>16,740</u></u>	<u><u>15,895</u></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 PROFIT OF PARENT COMPANY

The parent company's profit for the financial year after taxation was £6,234 (2012 £5,833 loss)

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 £
COST				
At 1 April 2012	199,692	326,439	22,360	548,491
Additions	<u>-</u>	<u>1,502</u>	<u>-</u>	<u>1,502</u>
At 31 March 2013	<u>199,692</u>	<u>327,941</u>	<u>22,360</u>	<u>549,993</u>
DEPRECIATION				
At 1 April 2012	118,199	274,308	18,397	410,904
Charge for year	<u>80,064</u>	<u>8,043</u>	<u>991</u>	<u>89,098</u>
At 31 March 2013	<u>198,263</u>	<u>282,351</u>	<u>19,388</u>	<u>500,002</u>
NET BOOK VALUE				
At 31 March 2013	<u>1,429</u>	<u>45,590</u>	<u>2,972</u>	<u>49,991</u>
At 31 March 2012	<u><u>81,493</u></u>	<u><u>52,131</u></u>	<u><u>3,963</u></u>	<u><u>137,587</u></u>

MALA INVESTMENTS LIMITED (REGISTERED NUMBER 01477836)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

9 FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 April 2012
and 31 March 2013

29,040

NET BOOK VALUE

At 31 March 2013

29,040

At 31 March 2012

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

	Group	
	31 3 13	31 3 12
	£	£
Work-in-progress	222,631	85,920

11 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31 3 13	31 3 12	31 3 13	31 3 12
	£	£	£	£
Trade debtors	2,925,432	2,953,325	-	-
Amounts owed by group undertakings	-	-	285,345	285,345
Other debtors	28,948	17,423	17,203	17,203
	<u>2,954,380</u>	<u>2,970,748</u>	<u>302,548</u>	<u>302,548</u>

Included within trade debtors are trade balances of £1,630,491 (2012 £1,901,550) owed by Mala Engineering Limited a company in which K Crane and P F Zumeris are directors and shareholders.

MALA INVESTMENTS LIMITED (REGISTERED NUMBER 01477836)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

12 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31 3 13	31 3 12	31 3 13	31 3 12
	£	£	£	£
Trade creditors	2,327,493	2,624,394	-	-
Amounts owed to group undertakings	-	-	60	60
Tax	18,409	114,907	1,558	86,894
VAT	146,905	170,477	-	-
Other creditors	56,176	43,137	2,778	2,778
Accruals and deferred income	95,692	104,103	94,379	102,790
	<u>2,644,675</u>	<u>3,057,018</u>	<u>98,775</u>	<u>192,522</u>

Included within trade creditors are trade balances of £642,911 (2012 £383,678) owed to Mala Engineering Limited, a company in which K Crane and P F Zumeris 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 13	31 3 12
	£	£
Expiring		
Within one year	-	3,207
Between one and five years	36,235	29,326
In more than five years	-	4,008
	<u>36,235</u>	<u>36,541</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			31 3 13	31 3 12
Number	Class	Nominal value	£	£
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 2013, the shareholders have waived their entitlement to the accumulated dividends.

MALA INVESTMENTS LIMITED (REGISTERED NUMBER 01477836)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

16 RESERVES

Group

	Profit and loss account £
At 1 April 2012	2,345,801
Deficit for the year	(68,115)
At 31 March 2013	<u>2,277,686</u>

Company

	Profit and loss account £	Share premium £	Totals £
At 1 April 2012	715,379	28,436	743,815
Profit for the year	6,234		6,234
At 31 March 2013	<u>721,613</u>	<u>28,436</u>	<u>750,049</u>

17 CAPITAL COMMITMENTS

At the year end, the group had no significant capital commitments (2012 £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 Zumeris are directors and shareholders, rent of £10,000 (2012 £11,666)

Total group sales to Mala Engineering Limited during the year amounted to £3,405,645 (2012 £3,184,622)

During the year, total service charges payable to Mala Engineering Limited amounted to £1,003,200 (2012 £1,441,843) These charges were in respect of management and other services provided to the group during the year

During the year, tangible assets of £nil (2012 £159,624) were acquired from Mala Engineering Ltd

During the year, the group was charged rent of £nil (2012 £19,998) by the Mala Directors' Pension Fund At the year end, the group owed the Pension Fund £77,778 (2012 £77,778)

At the year end, the net amount owed by Mala Engineering Limited to the group was £987,580 (2012 £999,307)

MALA INVESTMENTS LIMITED (REGISTERED NUMBER 01477836)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	31 3 13 £	31 3 12 £
(Loss)/profit for the financial year	(68,115)	32,001
Net (reduction)/addition to shareholders' funds	(68,115)	32,001
Opening shareholders' funds	2,464,342	2,432,341
Closing shareholders' funds	2,396,227	2,464,342

Company

	31 3 13 £	31 3 12 £
Profit/(loss) for the financial year	6,234	(5,833)
Net addition/(reduction) to shareholders' funds	6,234	(5,833)
Opening shareholders' funds	862,356	868,189
Closing shareholders' funds	868,590	862,356