

Registered Number: 1477836

**REGISTRAR'S
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MALA INVESTMENTS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**



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Mala Investments Limited

Directors

K Crane
M A Crane
P F Zumeris

Secretary and Registered Office

M A Crane
57 London Road
Enfield
Middlesex EN2 6SW

Auditors

Moore Stephens
57 London Road
Enfield
Middlesex EN2 6SW

Report of the Directors

The directors present their report and the audited financial statements for the year ended 31 March 2003.

Review of Activities

The principal activity of the company during the year continued to be that of a holding and property investment company.

Directors' Interests

The interests as defined by the Companies Act 1985 of the directors in the share capital of the company at the beginning of the year and end of the year were:

Ordinary Shares of £1 each

	31 March 2003	1 April 2002
K Crane	30	30
M A Crane	30	30
P F Zumeris	59	59

Preference Shares of £1 each

	31 March 2003	1 April 2002
K Crane	88,224	88,224
M A Crane	30,198	30,198
P F Zumeris	-	-

Mala Investments Limited**Report of the Directors for the Year Ended 31 March 2003**

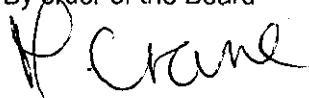
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Auditors

The auditors, Moore Stephens, have expressed their willingness to continue in office. A resolution for their re-appointment and authorising the directors to fix their remuneration will be proposed at the forthcoming 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.

By order of the Board



M A Crane
Secretary

13 NOV 2003

Mala Investments Limited

Statement of 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.

Mala Investments Limited

Independent Auditors' Report to the Shareholders of Mala Investments Limited

We have audited the financial statements of Mala Investments Limited for the year ended 31 March 2003 set out on pages 5 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (Effective June 2002), under the historical cost convention (or valuation) and the accounting policies set out on page 7.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. 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 an auditor's report 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with United Kingdom 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

57 London Road
Enfield
Middlesex EN2 6SW

13 NOV 2003

Moore Stephens
MOORE STEPHENS
Registered Auditors &
Chartered Accountants

Mala Investments Limited

Profit and Loss Account for the Year Ended 31 March 2003

	Note	2003 £	2002 £
Turnover		40,569	65,437
Cost of Sales		<u>(25,000)</u>	<u>(25,000)</u>
Gross Profit		15,569	40,437
Administrative Expenses		(8,695)	(759)
Other Operating Income		<u>12,729</u>	<u>-</u>
Operating Profit		19,603	39,678
Interest Payable and Similar Charges		<u>(4,251)</u>	<u>(2,739)</u>
Profit on Ordinary Activities Before Taxation		15,352	36,939
Taxation	3	<u>(3,682)</u>	<u>(7,232)</u>
Profit on Ordinary Activities After Taxation		11,670	29,707
Dividends		<u>(139,937)</u>	<u>-</u>
Retained for the year		<u><u>(128,267)</u></u>	<u><u>29,707</u></u>

Mala Investments Limited

Balance Sheet at 31 March 2003

	Note	2003 £	2002 £
Fixed Assets			
Tangible Assets	4	149,000	150,000
Investments	5	7,040	150,597
		<u>156,040</u>	<u>300,597</u>
Current Assets			
Debtors	6	461,866	398,110
Cash at Bank and in Hand		145,264	84,405
		<u>607,130</u>	<u>482,515</u>
Creditors: Amounts Falling Due Within One Year	7	65,948	22,431
Net Current Assets		<u>541,182</u>	<u>460,084</u>
Total Assets Less Current Liabilities		<u>697,222</u>	<u>760,681</u>
Creditors: Amounts Falling Due After More Than One Year	8	(78,144)	(13,336)
		<u>£619,078</u>	<u>£747,345</u>
Capital and Reserves			
Called Up Share Capital	9	118,541	118,541
Share Premium	10	28,436	28,436
Revaluation Reserve	10	109,398	109,398
Profit and Loss Account	10	362,703	490,970
		<u>£619,078</u>	<u>£747,345</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 (effective June 2002).

Approved by the Board on 13 NOV 2003

K. Crane

K Crane
Director

Mala Investments Limited

Notes to the Financial Statements for the Year Ended 31 March 2003

1 Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents amounts receivable from rentals.

Tangible Fixed Assets

Tangible fixed assets are stated at cost (or valuation) less accumulated depreciation.

Depreciation is provided to write off the cost (or valuation) of tangible fixed assets as follows:

Freehold Properties - 50 years

Deferred Tax

Deferred taxation is provided for at anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods that differ from those in which they are included in the financial statements.

Investments

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

Group Accounts

The company forms part of a medium sized group. The company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts. The financial statements therefore present information about the company as an individual undertaking and not about its group.

2 Directors' Emoluments

The directors did not receive any emoluments during the year.

3 Taxation

	2003 £	2002 £
UK Corporation Tax - Current Year	3,757	7,400
UK Corporation Tax - Adjustment to Prior Years	(75)	(168)
	<u>£3,682</u>	<u>£7,232</u>

Mala Investments Limited

Notes to the Financial Statements for the Year Ended 31 March 2003

continued

4 Tangible Fixed Assets

	Land and Buildings £
Cost (or valuation)	
At 1 April 2002 and 31 March 2003	<u>150,000</u>
Depreciation	
Depreciation for the year	<u>1,000</u>
At 31 March 2002	<u>1,000</u>
Net Book Value	
At 31 March 2003	<u>£149,000</u>
At 1 April 2002	<u>£150,000</u>

5 Fixed Asset Investments

	2003 £	2002 £
Shares in Group Undertakings	<u>7,040</u>	<u>150,597</u>
	<u>£7,040</u>	<u>£150,597</u>

On 30 April 2002 the company carried out a group reorganisation as a result of which Mala Engineering Limited was demerged from the group.

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Mala Electrical Limited	England and Wales	Ordinary	80%
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 Investments Limited

Notes to the Financial Statements for the Year Ended 31 March 2003

continued

The aggregate amount of capital and reserves and the results of these undertakings for the year ended 31 March 2003 were as follows:

	Capital and reserves £	Profit for the year £
Mala Electrical Limited	338,657	14,466
Mala Mechanical Services Limited	169,889	(19,604)
Mala Special Works Limited	77,411	(599)
Mala Maintenance Limited	(44,350)	(41,209)
Mala Designs Limited	12,630	-
Mala Management Limited	100	-

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.

6 Debtors

	2003 £	2002 £
Group Balances	378,398	388,110
Other Debtors	83,468	10,000
	<u>461,866</u>	<u>398,110</u>

Included within debtors are amounts of £94,398 (2002 Enil) due after more than one year.

7 Creditors: Amounts Falling Due Within One Year

	2003 £	2002 £
Amounts Owed to Group Undertakings	60	60
Other Creditors	65,888	22,371
	<u>£65,948</u>	<u>£22,431</u>

8 Creditors: Amounts Falling Due After More Than One Year

	2003 £	2002 £
Other Creditors	<u>78,144</u>	<u>13,336</u>

Mala Investments Limited

Notes to the Financial Statements for the Year Ended 31 March 2003

continued

9 Share Capital

	2003 £	2002 £
Authorised		
119 Ordinary Shares of £1 each	119	119
118,422 Preference Shares of £1 each	118,422	118,422
	<u>£118,541</u>	<u>£118,541</u>
	2003 £	2002 £
Allotted, Called Up and Fully Paid		
119 Ordinary Shares of £1 each	119	119
118,422 Preference Shares of £1 each	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 2003 the shareholders have waived their entitlement to the accumulated dividends.

10 Reserves

	Revaluation Reserve £	Share Premium £	Profit and Loss Account £	Total £
At 1 April 2002	109,398	28,436	490,970	628,804
Retained for the year	-	-	(128,267)	(128,267)
At 31 March 2003	<u>109,398</u>	<u>28,436</u>	<u>362,703</u>	<u>500,537</u>

11 Contingent Liabilities

The company has given a cross guarantee and debenture securing the bank borrowings of its subsidiary undertakings and Mala Engineering Limited, company in which K Crane, M A Crane and P F Zumeris are directors and shareholders. At 31 March 2003 the borrowings amounted to £218,981 (2002: £208,898).

Mala Investments Limited

Notes to the Financial Statements for the Year Ended 31 March 2003

continued

12 Related Parties

The company's controlling party is K Crane and M A Crane jointly.

On 30 April 2002 the company carried out a group reorganisation as a result of which Mala Engineering Limited was demerged from the group.

During the year, the company charged Mala Engineering Limited rent of £40,000 (2002: £65,000).

During the year the company was charged rent of £25,000 (2002: £25,000) by the Mala Directors' Pension Fund. The company was also advanced £141,200 (2002: £40,000) by the Pension Fund, incurring interest of £4,251 (2002: £2,739). At the year end £138,536 (2002: £26,668) was outstanding.

During the year the company provided loans to the following companies:

	Advanced	Interest	Outstanding
Mala Electrical Limited	49,326	4,454	34,431
Mala Engineering Limited	72,772	5,747	54,619
Mala Mechanical Limited	21,643	2,528	13,029