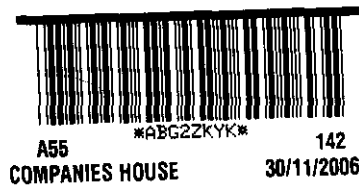


03602915 (England and Wales)

**Malden Renders and Finishes Limited**  
**Directors' Report and Unaudited Financial Statements**  
**For The Year Ended 31 May 2006**



## **Malden Renders and Finishes Limited**

### **Company Information**

<b>Directors</b>	Mr M. Russell Mr S. Russell Mr S. Poole
<b>Secretary</b>	Mr N. Johnson
<b>Company Number</b>	03602915 (England and Wales)
<b>Registered Office</b>	171 Selsdon Park Road South Croydon Surrey CR2 8JJ
<b>Accountants</b>	Arram Berlyn Gardner 30 City Road London EC1Y 2AB
<b>Business Address</b>	171 Selsdon Park Road South Croydon Surrey CR2 8JJ

## Malden Renders and Finishes Limited

### Report of the Directors

The Directors present their report and the financial statements for the year ended 31 May 2006.

#### Principal Activities and Review of the Business

The principal activity continues to be that of rendering and finishing contractors.

The Directors are pleased with the results for the year and look forward to growth in future years.

#### Results and Dividends

The results for the year are set out on page 5.

During the year no interim dividend was declared (2005: £ 20,000) and no final dividend has been proposed (2005: £ nil).

#### Fixed Assets

The significant changes in fixed assets during the year are explained in note 7 to the financial statements.

#### Directors and their Interests

The Directors who served during the year and their interests in the company at 31 May 2006 are as stated below:

	Ordinary Shares of £ 1 each	
	31 May 2006	01 June 2005
Mr M. Russell	1	1
Mr S. Russell	1	1
Mr S. Poole	-	-

#### Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 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.

On behalf of the Board 20 November 2006

*N. Johnson*

Mr N. Johnson  
Secretary

**Malden Renders and Finishes Limited**

**Chartered Accountants' Report to the Board of Directors on the Unaudited  
Financial Statements of Malden Renders and Finishes Limited**

In accordance with the engagement letter dated 18 September 2003, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of Malden Renders and Finishes Limited for the year ended 31 May 2006, set out on pages 5 to 12 from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 May 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express an opinion on the financial statements.

  
Arram Berlyn Gardner

Chartered Accountants

*22 November 2006*

30 City Road  
London  
EC1Y 2AB

**Malden Renders and Finishes Limited**

**Profit and Loss Account  
for the year ended 31 May 2006**

		<b>Year Ended 31 May 2006</b>	<b>Year Ended 31 May 2005</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	1.3	1,105,412	1,288,326
Cost of sales		(786,267)	(967,398)
<b>Gross profit</b>		<u>319,145</u>	<u>320,928</u>
Administrative expenses		(305,826)	(273,345)
<b>Operating profit</b>	2	<u>13,319</u>	<u>47,583</u>
Investment income	3	182	193
Interest payable	4	(768)	(474)
<b>Profit on ordinary activities before taxation</b>		<u>12,733</u>	<u>47,302</u>
Taxation	5	(2,098)	(8,016)
<b>Profit for the financial year</b>		<u><u>10,635</u></u>	<u><u>39,286</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those shown within the profit and loss account.

**Malden Renders and Finishes Limited**

**Balance Sheet  
at 31 May 2006**

	Note	31 May 2006		31 May 2005	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	7		45,915		42,534
<b>Current Assets</b>					
Stocks	8	10,566		9,708	
Debtors	9	218,815		282,521	
Cash at bank & in hand		<u>11,230</u>		<u>8,043</u>	
		240,611		300,272	
<b>Creditors : amounts falling due within one year</b>	10	<u>(161,863)</u>		<u>(225,669)</u>	
<b>Net Current Assets</b>			78,748		74,603
<b>Total Assets less Current Liabilities</b>			<u>124,663</u>		<u>117,137</u>
<b>Creditors : amounts falling due after one year</b>	11		(5,771)		(8,880)
<b>Net assets</b>			<u><u>118,892</u></u>		<u><u>108,257</u></u>
<b>Capital and Reserves</b>					
Called up share capital	12		2		2
Profit and loss account			118,890		108,255
<b>Equity Shareholder Funds</b>	13		<u><u>118,892</u></u>		<u><u>108,257</u></u>

For the year ended 31 May 2006 the company was entitled to exemption from audit under s249A(1) of the Companies Act 1985. No notice has been deposited under s249B(2) in relation to the accounts for the financial year. The Directors acknowledge their responsibility for ensuring that the company keeps proper accounting records in accordance with s221 to the Act and for preparing accounts which give a true and fair view of the state of affairs of the company at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of s226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Approved by the board for issue on 20 November 2006

Mr M. Russell  
Director

## **Malden Renders and Finishes Limited**

### **Notes to the Financial Statements for the year ended 31 May 2006**

#### **1. Principal Accounting Policies**

##### **1.1 Basis of Accounting**

The financial statements have been prepared under the historical cost convention and include the results of the company's operations as indicated in the Directors' report, all of which are continuing.

The company has taken advantage of the exemption in the Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

##### **1.2 Change of Accounting Policy**

The accounting policy in respect of dividends paid has been changed to reflect the requirements of FRS 25 : Financial Instruments - Disclosure and Presentation. As a result of this change, dividends paid are taken directly to equity, rather than through the Profit and Loss Account.

##### **1.3 Turnover**

Turnover represents amounts receivable for goods and services provided to the housing sector in the UK, net of VAT and trade discounts.

##### **1.4 Fixed Assets**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	25% per annum - Reducing Balance
Motor vehicles	25% per annum - Reducing Balance

##### **1.5 Stock**

Stock is valued at the lower of cost and net realisable value.

##### **1.6 Long term contracts**

Amounts recoverable on long term contracts, which are included in debtors, 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 included in creditors as payments on account.

##### **1.7 Deferred taxation**

The accounting policy in respect of deferred tax reflects the requirements of FRS 19 - Deferred Tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. *The deferred tax balance has not been discounted.*

**Malden Renders and Finishes Limited**

**Notes to the Financial Statements (Continued)  
for the year ended 31 May 2006**

**2. Operating profit**

<b>2006</b>	<b>2005</b>
<b>£</b>	<b>£</b>

Operating profit is stated after charging:

Depreciation of tangible fixed assets	12,469	9,140
Directors' emoluments	<u>84,085</u>	<u>80,918</u>

**3. Investment income**

<b>2006</b>	<b>2005</b>
<b>£</b>	<b>£</b>

Interest receivable	<u>182</u>	<u>193</u>
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**4. Interest payable**

<b>2006</b>	<b>2005</b>
<b>£</b>	<b>£</b>

Lease finance charges	<u>768</u>	<u>474</u>
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**5. Taxation**

<b>2006</b>	<b>2005</b>
<b>£</b>	<b>£</b>

Current tax charge	<u>2,098</u>	<u>8,016</u>
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**6. Dividends**

<b>2006</b>	<b>2005</b>
<b>£</b>	<b>£</b>

Ordinary interim paid	-	20,000
	<u>-</u>	<u>20,000</u>



**Malden Renders and Finishes Limited**

**Notes to the Financial Statements (Continued)  
for the year ended 31 May 2006**

**7. Tangible Assets**

	<b>Fixtures, Fittings &amp; Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost :</b>			
Balance at 1 June 2005	22,110	33,995	56,105
Additions	-	15,850	15,850
Balance at 31 May 2006	<u>22,110</u>	<u>49,845</u>	<u>71,955</u>
<b>Depreciation :</b>			
Balance at 1 June 2005	10,738	2,833	13,571
Charge for year	2,844	9,625	12,469
Balance at 31 May 2006	<u>13,582</u>	<u>12,458</u>	<u>26,040</u>
<b>Net book value</b>			
At 31 May 2006	<u>8,528</u>	<u>37,387</u>	<u>45,915</u>
At 31 May 2005	<u>11,372</u>	<u>31,162</u>	<u>42,534</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	<b>Motor Vehicles</b>
	<b>£</b>
<b>Net book values</b>	
At 31 May 2006	<u>34,012</u>
At 31 May 2005	<u>31,162</u>
<b>Depreciation charge for the year</b>	
At 31 May 2006	<u>8,500</u>
At 31 May 2005	<u>2,833</u>

**Malden Renders and Finishes Limited**

**Notes to the Financial Statements (Continued)**  
**for the year ended 31 May 2006**

**8. Stocks**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	<u>10,566</u>	<u>9,708</u>

**9. Debtors**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade debtors	178,557	250,709
Amounts recoverable on contracts	-	1,050
Amounts receivable from related undertaking	24,455	15,000
Other debtors	4,896	13,900
Prepayments	10,907	1,862
	<u>218,815</u>	<u>282,521</u>

Trade debtors include the sum of £ 24,516 (2005: £ 26,015) falling due after more than one year.

**10. Creditors : Amounts falling due within one year**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	25,319	42,800
Trade creditors	38,159	42,339
Amounts owed to related undertaking	16,287	4,770
Amounts due under finance leases	11,457	8,984
Corporation tax	2,098	8,016
Other taxes and social security costs	9,914	14,787
Directors' current accounts	405	307
Accruals	58,224	103,666
	<u>161,863</u>	<u>225,669</u>

**11. Creditors : Amounts falling due within one year**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Amounts due under finance leases	<u>5,771</u>	<u>8,880</u>
<b>Net obligations under finance leases</b>		
Repayable within one year	11,457	8,984
Repayable within one and five years	5,771	8,880
	<u>17,228</u>	<u>17,864</u>
Included in liabilities falling due within one year	(11,457)	(8,984)
	<u>5,771</u>	<u>8,880</u>

**Malden Renders and Finishes Limited**

**Notes to the Financial Statements (Continued)  
for the year ended 31 May 2006**

**12. Called up share capital**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called-up and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**13. Reconciliation of movements in shareholders' funds**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Opening shareholders' funds	108,257	88,971
Profit for the financial year	10,635	39,286
Dividends	-	(20,000)
Closing shareholders' funds	<u>118,892</u>	<u>108,257</u>

**14. Related Party Transactions**

During the year the company entered into transactions with The Malden Group plc, a company jointly controlled by Mr M. Russell and Mr S. Russell. These transactions were at arms length. The company made sales of £104,472 (2005: £77,825) and was charged an administration fee for the use of office facilities of £15,500 (2005: £11,300). At the year end, a balance of £16,287 (2005: £4,770) was due to The Malden Group plc.

During the year the company entered into transactions with Malden Decor Limited, a company incorporated in September 2004 and controlled by Mr M. Russell and Mr S. Russell. These transactions were at arms length. The company subcontracted work of £nil (2005: £1,960). At the end of the year, a balance of £24,455 (2005: £15,000) was receivable from Malden Decor Limited.