

Company Registration No 03602915 (England and Wales)

MALDEN RENDERS AND FINISHES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011

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MALDEN RENDERS AND FINISHES LIMITED

COMPANY INFORMATION

Directors	Mr M Russell Mr S Russell Mr S Poole Mr L Chapman
Secretary	Mr N Johnson
Company number	03602915
Registered office	171 Selsdon Park Road South Croydon Surrey CR2 8JJ
Auditors	Arram Berlyn Gardner 30 City Road London EC1Y 2AB
Business address	171 Selsdon Park Road South Croydon Surrey CR2 8JJ

MALDEN RENDERS AND FINISHES LIMITED

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MALDEN RENDERS AND FINISHES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2011

The directors present their report and financial statements for the period ended 31 March 2011

Principal activities and review of the business

The principal activity of the company continued to be that of rendering and finishing contractors

Fair review of the business

The directors are satisfied with the results for the period given tough trading and economic conditions

Description of principal risks and uncertainties

The principal risks associated with the Company include the changing market conditions in the industry

The Company's principal financial instruments comprise bank balances, loans and overdrafts, trade creditors, trade debtors and finance lease and hire purchase agreements. The main purpose of these instruments is to raise funds for the Company's operations and to finance the Company's operations

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest

The Company is a lessee in respect of assets under hire purchase. The Company manages the liquidity risk by ensuring there are sufficient funds to meet the payments

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits

Trade creditors risk is managed by ensuring sufficient funds are available to meet amounts due

The position of the company at the year end

At the period end, the Company was performing as expected

Analysis Based on Key Performance Indicators

The key financial highlights are as follows

	2011	2010
	£	£
Turnover	1,476,059	1,200,369
Gross profit margin	33.9%	26.7%
Operating profit	123,127	10,620

Results and dividends

The results for the period are set out on page 5

Directors

The following directors have held office since 1 June 2010

Mr M Russell
Mr S Russell
Mr S Poole
Mr L Chapman

Auditors

In accordance with the company's articles, a resolution proposing that Arram Berlyn Gardner be reappointed as auditors of the company will be put at a General Meeting

MALDEN RENDERS AND FINISHES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 of the profit or loss of the company 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 transactions and 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 2006. 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Mr N. Johnson
Secretary

3 AUGUST 2011

MALDEN RENDERS AND FINISHES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALDEN RENDERS AND FINISHES LIMITED

We have audited the financial statements of Malden Renders and Finishes Limited for the period ended 31 March 2011 set out on pages 5 to 14. 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 an auditors' 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.

An opinion on the financial statements as of 31 May 2010 was not expressed as the Company was exempt from an audit.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 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 Directors' Report 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 company's affairs as at 31 March 2011 and of its profit for the period 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

MALDEN RENDERS AND FINISHES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF MALDEN RENDERS AND FINISHES LIMITED

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or

Filiz Zekia (Senior Statutory Auditor)
for and on behalf of Arram Berlyn Gardner

3rd August 2011

Chartered Accountants
Statutory Auditor

30 City Road
London
EC1Y 2AB

MALDEN RENDERS AND FINISHES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2011

		Period ended 31 March 2011	Year ended 31 May 2010 Unaudited
	Notes	£	£
Turnover	2	1,476,059	1,200,369
Cost of sales		(974,954)	(879,393)
Gross profit		501,105	320,976
Administrative expenses		(377,978)	(310,431)
Other operating income		-	75
Operating profit	3	123,127	10,620
Other interest receivable and similar income	4	1,337	1,988
Interest payable and similar charges	5	(1,425)	(736)
Profit on ordinary activities before taxation		123,039	11,872
Tax on profit on ordinary activities	6	(31,718)	(3,477)
Profit for the period	15	91,321	8,395

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 passing through the profit and loss account

MALDEN RENDERS AND FINISHES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2011

		2011		2010	
	Notes	£	£	Unaudited £	£
Fixed assets					
Tangible assets	8		36,750		23,163
Current assets					
Stocks	9	11,562		41,341	
Debtors	10	933,901		634,712	
Cash at bank and in hand		768		716	
			946,231		676,769
Total assets			982,981		699,932
Capital and reserves					
Called up share capital	14	50,000			2
Profit and loss account	15	175,420			134,097
Shareholders' funds	16	225,420			134,099
Creditors' amounts falling due within one year	11	745,725		565,833	
Creditors' amounts falling due after more than one year	12	5,017		-	
			750,742		565,833
Provisions for liabilities	13	6,819			-
Total liabilities			982,981		699,932

Approved by the Board and authorised for issue on

3 AUGUST 2011

Mr M Russell
Director

Company Registration No 03602915

MALDEN RENDERS AND FINISHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Turnover

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

1.3 Tangible fixed assets and depreciation

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 & equipment	25% per annum - Reducing Balance
Motor vehicles	25% per annum - Reducing Balance

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

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

Deferred taxation 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

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom

MALDEN RENDERS AND FINISHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2011

3	Operating profit	2011	2010
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	7,154	6,469
	Loss on disposal of tangible assets	-	89
		<u> </u>	<u> </u>

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

4,500 -

Fees payable for general accountancy and taxation work

200 2,400

4,700 2,400

4	Investment income	2011	2010
		£	£

Bank interest

1,337 1,988

1,337 1,988

5	Interest payable	2011	2010
		£	£

On bank loans and overdrafts

26 24

Hire purchase interest

1,399 712

1,425 736

MALDEN RENDERS AND FINISHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2011

6	Taxation	2011	2010
		£	£
	Domestic current year tax		
	U K corporation tax	24,899	3,477
	Total current tax	24,899	3,477
	Deferred tax		
	Deferred tax charge/credit current year	6,819	-
		31,718	3,477
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	123,039	11,872
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 21.00%)	34,451	2,493
	Effects of		
	Non deductible expenses	77	-
	Depreciation add back	2,003	1,358
	Capital allowances	(6,238)	(457)
	Other tax adjustments	(5,394)	83
		(9,552)	984
	Current tax charge for the period	24,899	3,477
7	Dividends	2011	2010
		£	£
	Ordinary interim paid	-	53,683

MALDEN RENDERS AND FINISHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2011

8 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 June 2010	22,319	36,145	58,464
Additions	-	20,741	20,741
At 31 March 2011	22,319	56,886	79,205
Depreciation			
At 1 June 2010	19,536	15,765	35,301
Charge for the period	582	6,572	7,154
At 31 March 2011	20,118	22,337	42,455
Net book value			
At 31 March 2011	2,201	34,549	36,750
At 31 May 2010	2,783	20,380	23,163

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

	Motor vehicles £
Net book values	
At 31 March 2011	24,802
At 31 May 2010	8,069
Depreciation charge for the period	
At 31 March 2011	4,008
At 31 May 2010	2,690

9 Stocks	2011 £	2010 £
Raw materials and consumables	11,562	41,341

MALDEN RENDERS AND FINISHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2011

10 Debtors	2011 £	2010 £
Trade debtors	254,061	326,279
Amounts recoverable on long term contracts	2,600	5,139
Amounts owed by parent and fellow subsidiary undertakings	647,237	296,143
Other debtors	7,267	5,345
Prepayments and accrued income	22,736	1,806
	<u>933,901</u>	<u>634,712</u>

Amounts falling due after more than one year and included in the debtors above are

	2011 £	2010 £
Trade debtors	<u>42,917</u>	<u>63,127</u>

11 Creditors amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	32,213	71,686
Net obligations under hire purchase contracts	10,035	4,288
Trade creditors	88,367	95,276
Corporation tax	24,899	3,477
Other taxes and social security costs	10,884	27,718
Directors' current accounts	179,156	7,292
Other creditors	318,153	308,344
Accruals and deferred income	82,018	47,752
	<u>745,725</u>	<u>565,833</u>

MALDEN RENDERS AND FINISHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2011

12 Creditors' amounts falling due after more than one year	2011 £	2010 £
Net obligations under hire purchase contracts	5,017	-
Net obligations under hire purchase contracts		
Repayable within one year	10,035	4,288
Repayable between one and five years	5,017	-
	15,052	4,288
Included in liabilities falling due within one year	(10,035)	(4,288)
	5,017	-

13 Provisions for liabilities

	Deferred tax liability £
Profit and loss account	6,819
Balance at 31 March 2011	6,819

The deferred tax liability is made up as follows

	2011 £	2010 £
Accelerated capital allowances	6,819	-

14 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
50,000 Ordinary Shares of £1 each	50,000	2

During the year the company made a bonus share issue of 24,999 £1 ordinary shares for each 1 £1 ordinary share held

MALDEN RENDERS AND FINISHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2011

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2010	134,097
Profit for the period	91,321
Bonus issue of shares	(49,998)
Balance at 31 March 2011	<u>175,420</u>

16 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial period	91,321	8,395
Dividends	-	(53,683)
Net addition to/(depletion in) shareholders' funds	<u>91,321</u>	<u>(45,288)</u>
Opening shareholders' funds	134,099	179,387
Closing shareholders' funds	<u>225,420</u>	<u>134,099</u>

17 Directors' remuneration

	2011 £	2010 £
Remuneration for qualifying services	<u>124,302</u>	<u>106,657</u>

MALDEN RENDERS AND FINISHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2011

18 Employees

Number of employees

The average monthly number of employees (including directors) during the period was

	2011 Number	2010 Number
Administrative staff	9	8

Employment costs

	2011 £	2010 £
Wages and salaries	227,618	194,635
Social security costs	28,620	31,478
	256,238	226,113

19 Control

The company became a wholly owned subsidiary of Malden Group Plc on 1 March 2011

20 Period of account

The figures for the current period are for the 10 months ended 31 March 2011. The comparative is the year ended 31 May 2010.

21 Related party relationships and transactions

During the year the company entered into transactions with Malden Drywall Plc, a fellow subsidiary of the company. The company made sales of £10,960 (2010: £110,393) and was charged an administration fee for the use of office facilities of £69,844 (2010: £14,803). Expenses totalling £nil (2010: £50,000) were recharged to the company. At the year end, a balance of £647,237 (2010: £296,143) was due from Malden Drywall Plc (2009: £34,676).

At the year end a balance of £1,386 (2010: £nil) was due from Malden Decor Limited, a company jointly controlled by M Russell and S Russell.

M Russell has made an interest free loan to the company of £500,000. Repayments of £324,515 (2010: £nil) were made during the year and at the balance sheet date £175,485 (2010: £100,000) was due to M Russell. D Russell, the father of M Russell and S Russell, has also made an interest free loan of £375,000. Repayments of £56,847 (2010: £nil) were made during the year and at the balance sheet date £318,153 (2010: £175,000) was due to D Russell.