

Malakoff Limited
ABBREVIATED ACCOUNTS
for the year ended
31 December 2007



Malakoff Limited
ABBREVIATED BALANCE SHEET
31 December 2007

			2007		2006
	Notes	£	£	£	£
FIXED ASSETS	2				
Intangible assets			10,700		12,700
Tangible assets			693,160		706,980
Investments			<u>3</u>		<u>3</u>
			703,863		719,683
 CURRENT ASSETS					
Stocks		767,040		506,021	
Debtors		1,281,531		923,645	
Cash at bank and in hand		<u>329</u>		<u>380</u>	
		2,048,900		1,430,046	
CREDITORS amounts falling due within one year	3	<u>1,826,182</u>		<u>1,330,475</u>	
NET CURRENT ASSETS			<u>222,718</u>		<u>99,571</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			926,581		819,254
 CREDITORS amounts falling due after more than one year	4		427,320		386,582
PROVISIONS FOR LIABILITIES			5,000		5,000
GOVERNMENT GRANTS			(199,670)		(221,270)
			<u>294,591</u>		<u>206,402</u>

The Balance sheet continues on the following page

Malakoff Limited

ABBREVIATED BALANCE SHEET (continued)

31 December 2007

	<i>Notes</i>	2007 £	2006 £
CAPITAL AND RESERVES			
Called up equity share capital	6	200,000	200,000
Other reserves		50,000	
Profit and loss account		<u>44,591</u>	<u>6,402</u>
SHAREHOLDERS' FUNDS		<u>294,591</u>	<u>206,402</u>

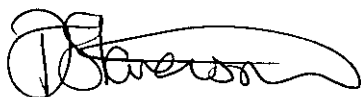
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

The abbreviated accounts on pages 1 to 6 were approved by the directors and authorised for issue on 7 October 2008 and are signed on their behalf by



D Stevenson
Director

Malakoff Limited

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2007

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The company is entitled for the year ending 31 December 2007 to the exemptions conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the parent company as an individual company and not about the group.

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long term contracts and contracts for on going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long term contracts and contracts for on going services is recognised by reference to the stage of completion.

AMORTISATION

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	10 years
Intellectual Property	10 years

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	50 years
Plant & Machinery	3 - 5 years
Motor Vehicles	4 years

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Malakoff Limited

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2007

1 ACCOUNTING POLICIES *(continued)*

WORK IN PROGRESS

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which turnover exceeds payments on account is classified as "amounts recoverable on contracts" and included in debtors, to the extent that payments on account exceed relevant turnover, the excess is included as a creditor. The amount of long term contracts, at cost net of amounts transferred to cost of sales, less provision for foreseeable losses and payments on account not matched with turnover, is included within stocks.

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non discounted basis.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

DEFERRED GOVERNMENT GRANTS

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Malakoff Limited

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2007

2 FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Investments £	Total £
Cost				
At 1 January 2007	20,000	1,162,166	3	1,182,169
Additions	–	182,329	–	182,329
Disposals	–	(29,290)	–	(29,290)
At 31 December 2007	<u>20,000</u>	<u>1,315,205</u>	<u>3</u>	<u>1,335,208</u>
Depreciation				
At 1 January 2007	7,300	455,186	–	462,486
Charge for year	2,000	172,891	–	174,891
On disposals	–	(6,032)	–	(6,032)
At 31 December 2007	<u>9,300</u>	<u>622,045</u>	<u>–</u>	<u>631,345</u>
Net book value				
At 31 December 2007	<u>10,700</u>	<u>693,160</u>	<u>3</u>	<u>703,863</u>
At 31 December 2006	<u>12,700</u>	<u>706,980</u>	<u>3</u>	<u>719,683</u>

Malakoff Limited owns 100% of the ordinary share capital of Malakoff Engineering Limited

3 CREDITORS amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2007 £	2006 £
Bank loans and overdrafts	435,890	277,860
Other creditors	<u>57,872</u>	<u>53,703</u>
	<u>493,762</u>	<u>331,563</u>

4 CREDITORS amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2007 £	2006 £
Bank loans and overdrafts	86,393	
Other creditors	<u>307,379</u>	<u>365,251</u>
	<u>393,772</u>	<u>365,251</u>

Included within creditors falling due after more than one year is an amount of £27,339 (2006 £105,385) in respect of liabilities which fall due for payment after more than five years from the balance sheet date

Malakoff Limited

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2007

5 SHARE CAPITAL REPAYABLE

	2007 £	2006 £
Authorised, allotted, called up and fully paid 50,000 Preference shares of £1 each	—	50,000

The preference shares are redeemable after 31 December 2004 and before 31 December 2012. Holders of preference shares are entitled to receive a fixed cumulative cash dividend, net of tax, of 5% per annum of par value for the years ending 31 December 2005 to 31 December 2009 inclusive, increasing thereafter to 8% per annum of par value, until redemption. The holders of preference shares are not entitled to vote at general meetings except where the dividend is more than six months in arrears.

On 31 December 2007, the company redeemed 50,000 £1 preference shares for £50,000, in line with the redemption terms.

6 SHARE CAPITAL

	2007 £	2006 £
Authorised		
250,000 Ordinary shares of £1 each	250,000	250,000
50,000 Preference shares of £1 each	50,000	50,000
	<u>300,000</u>	<u>300,000</u>
	2007 £	2006 £
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	200,000	200,000
(2006 50,000) Preference shares of £1 each		50,000
	<u>200,000</u>	<u>250,000</u>
Amounts presented in equity		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
Amounts presented in liabilities		
(2006 50,000) Preference shares of £1 each		50,000

The preference shares are redeemable after 31 December 2004 and before 31 December 2012. Holders of preference shares are entitled to receive a fixed cumulative cash dividend, net of tax, of 5% per annum of par value for the years ending 31 December 2005 to 31 December 2009 inclusive, increasing thereafter to 8% per annum of par value, until redemption. The holders of preference shares are not entitled to vote at general meetings except where the dividend is more than six months in arrears.

On 31 December 2007, the company redeemed 50,000 £1 preference shares for £50,000, in line with the redemption terms.