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REGISTERED NUMBER 05957569 (England and Wales)

**AKAAL GROUP PLC  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012**

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COMPANIES HOUSE

Perrys Accountants Limited  
Chartered Accountants  
and Statutory Auditors  
Perry House  
32-34 St Johns Road  
Tunbridge Wells  
Kent  
TN4 9NT

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FOR THE YEAR ENDED 31 MARCH 2012**

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**AKAAL GROUP PLC**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2012**

**DIRECTORS.**

R S Manak  
Mrs H K Manak

**SECRETARY:**

M Ambersley

**REGISTERED OFFICE:**

Stanmore House  
Gyproc Business Park  
Church Manorway  
Erith  
Kent  
DA8 1DE

**REGISTERED NUMBER**

05957569 (England and Wales)

**AUDITORS:**

Perrys Accountants Limited  
Chartered Accountants  
and Statutory Auditors  
Perry House  
32-34 St Johns Road  
Tunbridge Wells  
Kent  
TN4 9NT

**AKAAL GROUP PLC (REGISTERED NUMBER. 05957569)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2012**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2012

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of plastering, dry lining, external walling and Rain Screen cladding systems

**REVIEW OF BUSINESS**

As is widely reported the year has been challenging for the construction industry in general. Despite this, and as reported in the director's report in 2011 the group has increased its turnover by 21% whilst maintaining margins at the same level as 2011. This has been achieved by the group continuing to provide the service to its clients that they have come to expect whilst continually reviewing and improving systems to mitigate all wasted costs.

I would like to thank all our clients, employees and suppliers for their continued support

**Key Performance Indicators**

	<b>2012</b>	<b>2011</b>	<b>2010</b>
Sales revenue	£52.0 million	£42.8 million	£41.2 million
Gross profit	£9.2 million	£7.5 million	£9.5 million
Gross profit margin	17.2%	17.5%	23.1%
Net profit / (loss)	£3.8 million	(£0.7 million)	£3.9 million

**Principal Risks and Uncertainties**

The principal risks continue to be related to the current economic climate. Despite the agreed need for more housing, particularly in the South-East, if there is a downturn in the economic climate this could have an effect on the level of work the group carries out. Although the group's systems will allow for a reduction in costs to mitigate any reduction in turnover there would, undoubtedly be a detrimental effect on net profit.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 March 2012 was £36,999 (2011 £75,512)

**FUTURE DEVELOPMENTS**

It is expected that the group will show a modest increase in turnover and maintain its margins and levels of overheads in the year to 31 March 2013.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report.

R S Manak  
Mrs H K Manak

**GROUP'S POLICY ON PAYMENT OF CREDITORS**

The group agrees payment terms with its suppliers and ensures that, whenever possible these are strictly adhered to.

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the company made charitable donations totalling £12,011 (2010 £12,924) to local organisations and £12,175 (2010 £14,551) to national charities.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2012**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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.

**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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Perrys Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD.**

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a horizontal line that curves upwards at the end.

R S Manak - Director

26 September 2012

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AKAAL GROUP PLC**

We have audited the financial statements of Akaal Group Plc for the year ended 31 March 2012 on pages six to twenty one. 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 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 group's and the parent 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 Report of the Directors 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 group's and of the parent company's affairs as at 31 March 2012 and of the group's profit 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
AKAAL GROUP PLC**

**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

Stephen Hale (Senior Statutory Auditor)  
for and on behalf of Perrys Accountants Limited  
Chartered Accountants  
and Statutory Auditors  
Perry House  
32-34 St Johns Road  
Tunbridge Wells  
Kent  
TN4 9NT

26 September 2012

**AKAAL GROUP PLC (REGISTERED NUMBER: 05957569)**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	2012 £	2011 £
<b>TURNOVER</b>		52,004,859	42,778,826
Cost of sales		42,833,493	35,294,280
<b>GROSS PROFIT</b>		9,171,366	7,484,546
Administrative expenses		5,425,976	8,205,497
		3,745,390	(720,951)
Other operating income		113,184	15,213
<b>OPERATING PROFIT/(LOSS)</b>	3	3,858,574	(705,738)
Interest receivable and similar income		4	10,280
		3,858,578	(695,458)
Interest payable and similar charges	4	45,498	33,792
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		3,813,080	(729,250)
Tax on profit/(loss) on ordinary activities	5	1,020,859	649,031
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR FOR THE GROUP</b>		2,792,221	(1,378,281)

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

The notes form part of these financial statements



AKAAL GROUP PLC (REGISTERED NUMBER: 05957569)

CONSOLIDATED BALANCE SHEET  
31 MARCH 2012

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	8	2,123,143	2,224,104
Investments	9	-	-
Investment property	10	1,327,739	1,288,500
		<u>3,450,882</u>	<u>3,512,604</u>
<b>CURRENT ASSETS</b>			
Stocks	11	717,315	941,700
Debtors	12	14,148,250	13,616,730
Cash at bank and in hand		331,894	312,418
		<u>15,197,459</u>	<u>14,870,848</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	5,950,074	8,398,036
<b>NET CURRENT ASSETS</b>		<u>9,247,385</u>	<u>6,472,812</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>12,698,267</u>	<u>9,985,416</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(659,873)	(717,702)
<b>PROVISIONS FOR LIABILITIES</b>	18	(41,688)	(26,230)
<b>NET ASSETS</b>		<u>11,996,706</u>	<u>9,241,484</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	61,601	61,601
Consolidation reserve	20	3,258,005	3,258,005
Profit and loss account	20	8,677,100	5,921,878
<b>SHAREHOLDERS' FUNDS</b>	25	<u>11,996,706</u>	<u>9,241,484</u>

The financial statements were approved by the Board of Directors on 26 September 2012 and were signed on its behalf by



R S Manak - Director

The notes form part of these financial statements

**AKAAL GROUP PLC (REGISTERED NUMBER 05957569)**

**COMPANY BALANCE SHEET  
31 MARCH 2012**

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	8	1,272,365	1,289,155
Investments	9	2,499,447	2,499,447
Investment property	10	1,327,739	1,288,500
		<u>5,099,551</u>	<u>5,077,102</u>
<b>CURRENT ASSETS</b>			
Debtors	12	261,140	17,087
Cash at bank		10,796	30,385
		<u>271,936</u>	<u>47,472</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	1,596,370	1,295,601
<b>NET CURRENT LIABILITIES</b>		<u>(1,324,434)</u>	<u>(1,248,129)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,775,117</u>	<u>3,828,973</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	591,317	630,594
<b>NET ASSETS</b>		<u>3,183,800</u>	<u>3,198,379</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	61,601	61,601
Profit and loss account	20	3,122,199	3,136,778
<b>SHAREHOLDERS' FUNDS</b>	25	<u>3,183,800</u>	<u>3,198,379</u>

The financial statements were approved by the Board of Directors on 26 September 2012 and were signed on its behalf by



R S Manak - Director

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	2012 £	£	2011 £	£
<b>Net cash inflow/(outflow) from operating activities</b>	1		1,601,800		(2,256,240)
<b>Returns on investments and servicing of finance</b>	2		(45,494)		(23,512)
<b>Taxation</b>			(907,306)		(675,576)
<b>Capital expenditure and financial investment</b>	2		(211,047)		(1,432,511)
<b>Equity dividends paid</b>			(36,999)		(75,512)
			<u>400,954</u>		<u>(4,463,351)</u>
<b>Financing</b>	2		(381,478)		(283,130)
<b>Increase/(decrease) in cash in the period</b>			<u>19,476</u>		<u>(4,746,481)</u>
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Increase/(decrease) in cash in the period		19,476		(4,746,481)	
Cash outflow from decrease in debt and lease financing		<u>170,691</u>		<u>283,130</u>	
Change in net debt resulting from cash flows			<u>190,167</u>		<u>(4,463,351)</u>
<b>Movement in net debt in the period</b>			190,167		(4,463,351)
<b>Net (debt)/funds at 1 April</b>			<u>(690,118)</u>		<u>3,773,233</u>
<b>Net debt at 31 March</b>			<u>(499,951)</u>		<u>(690,118)</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2012

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

	2012 £	2011 £
Operating profit/(loss)	3,858,574	(705,738)
Depreciation charges	263,696	285,495
Loss/(profit) on disposal of fixed assets	9,073	(35)
Decrease/(increase) in stocks	224,385	(721,236)
Increase in debtors	(516,037)	(3,920,560)
(Decrease)/increase in creditors	(2,237,891)	2,805,834
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,601,800</b>	<b>(2,256,240)</b>

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

	2012 £	2011 £
<b>Returns on investments and servicing of finance</b>		
Interest received	4	10,280
Interest paid	(21,240)	(14,231)
Interest element of hire purchase payments	(24,258)	(19,561)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(45,494)</b>	<b>(23,512)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(184,808)	(218,631)
Purchase of investment property	(39,239)	(2,096,000)
Sale of tangible fixed assets	13,000	74,620
Sale of investment property	-	807,500
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(211,047)</b>	<b>(1,432,511)</b>
<b>Financing</b>		
Loan repayments in year	(46,374)	(52,579)
Capital repayments in year	(124,317)	(230,551)
Movement on directors loan	(210,787)	-
<b>Net cash outflow from financing</b>	<b>(381,478)</b>	<b>(283,130)</b>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2012

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 4 11 £	Cash flow £	At 31 3 12 £
Net cash			
Cash at bank and in hand	312,418	19,476	331,894
	<u>312,418</u>	<u>19,476</u>	<u>331,894</u>
Debt			
Hire purchase	(319,132)	124,317	(194,815)
Debts falling due within one year	(52,810)	7,097	(45,713)
Debts falling due after one year	(630,594)	39,277	(591,317)
	<u>(1,002,536)</u>	<u>170,691</u>	<u>(831,845)</u>
Total	<u>(690,118)</u>	<u>190,167</u>	<u>(499,951)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Turnover**

Turnover represents amounts receivable during the period for goods and services provided

**Tangible fixed assets**

Depreciation is not provided on freehold land. The freehold land is included in the accounts at cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold buildings	- 2% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% reducing balance

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

**Stocks**

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

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are only recognised to the extent that they are recoverable in the foreseeable future.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012

## 2 STAFF COSTS

	2012 £	2011 £
Wages and salaries	3,568,351	3,347,633
Social security costs	385,966	344,925
Other pension costs	17,550	17,608
	<u>3,971,867</u>	<u>3,710,166</u>

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

	2012	2011
Management and administration	38	38
Production	74	72
	<u>112</u>	<u>110</u>

## 3 OPERATING PROFIT/(LOSS)

The operating profit (2011 - operating loss) is stated after charging/(crediting)

	2012 £	2011 £
Other operating leases	7,450	4,485
Depreciation - owned assets	120,461	273,496
Depreciation - assets on hire purchase contracts	143,235	12,001
Loss/(profit) on disposal of fixed assets	9,073	(35)
Auditors' remuneration	29,021	31,988
Auditors' remuneration for non audit work	23,414	9,742
	<u>332,654</u>	<u>331,707</u>
Directors' remuneration	134,570	136,450
Directors' pension contributions to money purchase schemes	12,460	12,460
	<u>147,030</u>	<u>148,910</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

## 4 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Bank interest	4,334	-
Bank loan interest	13,357	14,231
HMRC interest paid	3,549	-
Other interest	24,258	19,561
	<u>45,498</u>	<u>33,792</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012

## 5 TAXATION

**Analysis of the tax charge**

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

	2012 £	2011 £
Current tax		
UK corporation tax	1,005,395	659,867
Corporation tax under (over) provided	6	-
Total current tax	1,005,401	659,867
Deferred tax	15,458	(10,836)
Tax on profit/(loss) on ordinary activities	1,020,859	649,031

**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

	2012 £	2011 £
Profit/(loss) on ordinary activities before tax	3,813,080	(729,250)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%)	991,401	(204,190)
Effects of		
Depreciation	68,561	79,939
(Profit) / loss on disposal of assets	2,359	(10)
Capital allowances	(82,012)	(66,695)
Non allowable expenses	28,300	857,469
Parent company taxed at small companies rate	(3,228)	-
Marginal relief	-	(6,646)
Under-provided corporation tax from previous year	6	-
Loss carried forward	14	-
Current tax charge	1,005,401	659,867

## 6 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £22,420 (2011 - £(1,473,950) loss)

## 7 DIVIDENDS

	2012 £	2011 £
Ordinary share of £1 Interim	36,999	75,512



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012

## 8 TANGIBLE FIXED ASSETS

## Group

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 April 2011	1,339,525	288,711	1,305,596	248,396	3,182,228
Additions	-	7,070	144,310	33,428	184,808
Disposals	-	-	(88,597)	-	(88,597)
At 31 March 2012	1,339,525	295,781	1,361,309	281,824	3,278,439
<b>DEPRECIATION</b>					
At 1 April 2011	50,370	177,564	577,427	152,763	958,124
Charge for year	16,790	14,799	195,482	36,625	263,696
Eliminated on disposal	-	-	(66,524)	-	(66,524)
At 31 March 2012	67,160	192,363	706,385	189,388	1,155,296
<b>NET BOOK VALUE</b>					
At 31 March 2012	1,272,365	103,418	654,924	92,436	2,123,143
At 31 March 2011	1,289,155	111,147	728,169	95,633	2,224,104

Included in the above are motor vehicles held under hire purchase contracts with a net book value of £497,043 (2010 £721,015)

## Company

	Freehold property £
<b>COST</b>	
At 1 April 2011 and 31 March 2012	1,339,525
<b>DEPRECIATION</b>	
At 1 April 2011	50,370
Charge for year	16,790
At 31 March 2012	67,160
<b>NET BOOK VALUE</b>	
At 31 March 2012	1,272,365
At 31 March 2011	1,289,155

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012

## 9 FIXED ASSET INVESTMENTS

## Company

	Shares in group undertakings £
<b>COST</b>	
At 1 April 2011 and 31 March 2012	<u>2,499,447</u>
<b>NET BOOK VALUE</b>	
At 31 March 2012	<u>2,499,447</u>
At 31 March 2011	<u>2,499,447</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following

## Subsidiaries

**Plastering Contractors (Stanmore) Limited**

Nature of business Plastering contractors

	% holding	2012 £	2011 £
Class of shares			
Ordinary A	100 00		
Ordinary B	100 00		
Aggregate capital and reserves		11,091,003	8,559,001
Profit for the year		<u>2,532,002</u>	<u>1,526,607</u>

**Plastering Contractors (Stanmore) Properties Limited**

Nature of business Dormant

	% holding	2012 £	2011 £
Class of shares			
Ordinary A	100 00		
Ordinary B	100 00		
Aggregate capital and reserves		(16,602)	(16,550)
(Loss)/profit for the year		<u>(52)</u>	<u>1,920</u>

**Manak Homes Limited**

Nature of business Dormant

	% holding	2012 £	2011 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		<u>100</u>	<u>100</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012

## 10 INVESTMENT PROPERTY

**Group**

	Total £
<b>COST</b>	
At 1 April 2011	1,288,500
Additions	39,239
	<u>1,327,739</u>
At 31 March 2012	<u>1,327,739</u>
<b>NET BOOK VALUE</b>	
At 31 March 2012	<u>1,327,739</u>
At 31 March 2011	<u>1,288,500</u>

**Company**

	Total £
<b>COST</b>	
At 1 April 2011	1,288,500
Additions	39,239
	<u>1,327,739</u>
At 31 March 2012	<u>1,327,739</u>
<b>NET BOOK VALUE</b>	
At 31 March 2012	<u>1,327,739</u>
At 31 March 2011	<u>1,288,500</u>

The directors have assessed that the open market value of the investment properties at 31 March 2012 is £1,327,739

This is based on the historical cost of the properties which were acquired during the years ending 31 March 2011 and 31 March 2012

## 11 STOCKS

	<b>Group</b>	
	2012 £	2011 £
Stocks	<u>717,315</u>	<u>941,700</u>

## 12 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Group</b>		<b>Company</b>	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	13,121,850	12,562,781	-	1,604
Other debtors	719,888	963,995	50,000	-
Directors' current accounts	210,787	-	210,787	-
Tax	-	15,483	-	15,483
Prepayments and accrued income	95,725	74,471	353	-
	<u>14,148,250</u>	<u>13,616,730</u>	<u>261,140</u>	<u>17,087</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012

## 13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts (see note 15)	45,713	52,810	45,713	52,810
Hire purchase contracts (see note 16)	126,259	232,024	-	-
Trade creditors	3,967,266	6,630,085	-	-
Amounts owed to group undertakings	-	-	1,517,468	1,231,970
Social security and other taxes	1,126,944	929,798	19,579	7,211
Other creditors	5,000	11,820	-	-
Accrued expenses	678,892	541,499	13,610	3,610
	<u>5,950,074</u>	<u>8,398,036</u>	<u>1,596,370</u>	<u>1,295,601</u>

## 14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans (see note 15)	591,317	630,594	591,317	630,594
Hire purchase contracts (see note 16)	68,556	87,108	-	-
	<u>659,873</u>	<u>717,702</u>	<u>591,317</u>	<u>630,594</u>

## 15 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year or on demand				
Bank loans	<u>45,713</u>	<u>52,810</u>	<u>45,713</u>	<u>52,810</u>
Amounts falling due between one and two years				
Bank loans - 1-2 years	<u>45,713</u>	<u>52,810</u>	<u>45,713</u>	<u>52,810</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	<u>137,139</u>	<u>158,430</u>	<u>137,139</u>	<u>158,430</u>
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>408,465</u>	<u>419,354</u>	<u>408,465</u>	<u>419,354</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012

16 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2012	2011
	£	£
Net obligations repayable		
Within one year	126,259	232,024
Between one and five years	68,556	87,108
	<u>194,815</u>	<u>319,132</u>

The following operating lease payments are committed to be paid within one year

Group

	Other operating leases	
	2012	2011
	£	£
Expiring		
Within one year	-	657
Between one and five years	3,152	1,128
	<u>3,152</u>	<u>1,785</u>

17 SECURED DEBTS

The group's overdraft facility is secured by fixed and floating charges over the group's assets both present and future

The group has entered into a cross guarantee arrangement with its bankers in relation to Plastering Contractors (Stanmore) Limited, Plastering Contractors (Stanmore) Properties Limited and Akaal Group PLC, companies in which Mr R Manak is an officer and shareholder

At 31 March 2012, loans and overdrafts in all group companies, subject to guarantee by this company, amounted to £637,030 (2011 - £683,403)

Hire purchase liabilities totalling £194,814 (2011 - £319,132) are secured on the assets purchased under the hire purchase agreements

18 PROVISIONS FOR LIABILITIES

	Group	
	2012	2011
	£	£
Deferred tax	<u>41,688</u>	<u>26,230</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012

## 18 PROVISIONS FOR LIABILITIES - continued

## Group

	Deferred tax £
Balance at 1 April 2011	26,230
Deferred tax	15,458
Balance at 31 March 2012	<u>41,688</u>

## 19 CALLED UP SHARE CAPITAL

## Allotted, issued and fully paid

Number	Class	Nominal value £	2012 £	2011 £
1	Ordinary	£1	1	1
61,100	Ordinary A	£1	61,100	61,100
500	Ordinary B	£1	500	500
			<u>61,601</u>	<u>61,601</u>

## 20 RESERVES

## Group

	Profit and loss account £	Consolidation reserve £	Totals £
At 1 April 2011	5,921,878	3,258,005	9,179,883
Profit for the year	2,792,221		2,792,221
Dividends	(36,999)		(36,999)
At 31 March 2012	<u>8,677,100</u>	<u>3,258,005</u>	<u>11,935,105</u>

## Company

	Profit and loss account £
At 1 April 2011	3,136,778
Profit for the year	22,420
Dividends	(36,999)
At 31 March 2012	<u>3,122,199</u>

## 21 CONTINGENT LIABILITIES

As reported previously the group has been in correspondence with HM Revenue & Customs regarding an assessment for disallowed input VAT. This matter is ongoing and steps have been agreed with HM Revenue & Customs to mitigate the liability. In the opinion of the director, should a liability arise it will not exceed £200,000.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**22 TRANSACTIONS WITH DIRECTORS**

During the year dividends of £36,999 were paid to the director Mrs H K Manak

Included in debtors at 31 March 2012 is a balance of £210,787 owed by the director R S Manak

**23 RELATED PARTY DISCLOSURES**

Akaal Group PLC has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning transactions with fellow group undertakings, as these are included as part of the consolidated financial statements

**24 ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is R S Manak by virtue of his shareholding

**25 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Group**

	2012 £	2011 £
Profit/(loss) for the financial year	2,792,221	(1,378,281)
Dividends	(36,999)	(75,512)
Increase in share capital		
Consolidation reserve		
<b>Net addition/(reduction) to shareholders' funds</b>	<b>2,755,222</b>	<b>(1,453,793)</b>
Opening shareholders' funds	9,241,484	10,695,277
<b>Closing shareholders' funds</b>	<b>11,996,706</b>	<b>9,241,484</b>

**Company**

	2012 £	2011 £
Profit/(loss) for the financial year	22,420	(1,473,950)
Dividends	(36,999)	(75,512)
Increase in share capital		
<b>Net reduction of shareholders' funds</b>	<b>(14,579)</b>	<b>(1,549,462)</b>
Opening shareholders' funds	3,198,379	4,747,841
<b>Closing shareholders' funds</b>	<b>3,183,800</b>	<b>3,198,379</b>