

REGISTRARS COPY

MALAYAN INSURANCE COMPANY (UK) LIMITED
(Registered Company No. 1420622 England)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

DIRECTORS

Y S Yuchengco (Filipino)
H H Bohling (resigned 28 April 2010)
I Kiverstein (resigned 28 April 2010)
E A Bagshaw (resigned 28 April 2010)
J Almagro (appointed 28 April 2010)
G Cheng (appointed 28 April 2010)

SECRETARY


Chiltington International Ltd

REGISTERED OFFICE

Holland House
1-4 Bury Street
London EC3A 5AW

AUDITOR

Spofforths LLP
Comewell House
North Street
Horsham
West Sussex
RH12 1RD

SATURDAY	FRIDAY			
		ADJL2UAX		
		A13	20/05/2011	280
		COMPANIES HOUSE		
SATURDAY	FRIDAY	*AF483U42*		
		A28	14/05/2011	99
		COMPANIES HOUSE		

MALAYAN INSURANCE COMPANY (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report, together with the financial statements, for the year ended 31 December 2010.

RESULTS AND DIVIDENDS

The results may be summarised as follows

	Premium Income		(Loss)/Profit Before Tax	
	2010	2009	2010	2009
	£	£	£	£
Marine	-	-	(20,461)	66,559
	<u>£ -</u>	<u>£ -</u>	<u>(£20,461)</u>	<u>£66,559</u>

The directors do not recommend the payment of a final dividend

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS FUTURE DEVELOPMENT

The company was an insurance company underwriting marine business, which ceased to accept new business from 1986 onwards

A solvent scheme of arrangement under Part 26 of the Companies Act 2006 was unanimously approved at a meeting of insurance related creditors held on 1 October 2009. The scheme was subsequently sanctioned by the High Court of England and Wales on 7 October 2008 and became effective on 9 October 2008. The scheme was implemented according with its terms and accordingly was terminated on 28 August 2009. The run-off of the company's business has therefore concluded and no further payments shall be made to insurance related creditors. The company subsequently applied to the Financial Services Authority for cancellation of its Part IV permission which was granted with effect from 24 November 2009. It is now the intention of the Directors to implement a members voluntary liquidation of the company. For this reason, the company cannot be regarded as a going concern. The shareholder's accounts have been prepared on a going concern basis as the directors are of the opinion that there would be no material adjustments to be made to the accounts should they be prepared on a break up basis.

RISK EXPOSURE

The company is exposed to financial risk, mainly through its financial assets. The key financial risk is that proceeds from financial assets are not sufficient to pay expenses as they fall due.

The most important components of these risks are interest rate, credit and liquidity risk in relation to financial assets.

The company manages these risks by

- Reviewing cash flow requirements to ensure its liquidity needs are met.
- Regularly reviewing investments to ensure credit worthiness of counterparties and adequacy of interest earned.

KEY PERFORMANCE INDICATORS

The company monitors its performance by reviewing the rate of investment return achieved against base rate and the level of net operating expenses against prior years.

MALAYAN INSURANCE COMPANY (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

DIRECTORS

The directors of the company are named on page 1, which forms part of this report.

INFORMATION REGARDING DIRECTORS

According to the register kept by the company pursuant to section 809 of the Companies Act 2006, no director had at any time during the period any interest in shares or debentures which he was under an obligation to notify to the company by virtue of section 182 of that Act

At no time during the year have there subsisted any arrangements, to which the Company was a party, to enable directors to acquire benefits by means of the acquisition of share in, or debentures of, the company or any other body corporate.

A third party has granted an indemnity to one of the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

MALAYAN INSURANCE COMPANY (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual 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)

The financial statements are required by law to 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

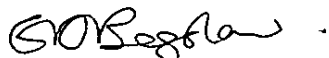
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare 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 proper accounting records that 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 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.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board



E A Bagshaw For Chilton International Ltd
Secretary

Holland House
1-4 Bury Street
London EC3A 5AW

MALAYAN INSURANCE COMPANY (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALAYAN INSURANCE COMPANY (UK) LIMITED

We have audited the company's financial statements for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

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 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 the auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 (APB's) Ethical Standards for Auditors.

Scope of the audit opinion

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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.

Opinion on the 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 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Directors' Report is consistent with the financial statements.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MALAYAN INSURANCE COMPANY (UK) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALAYAN INSURANCE COMPANY (UK)
LIMITED (CONTINUED)**

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
- 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

R C P P Spofforth FCA BSc (Senior Statutory Auditor)
For an on behalf of Spofforths LLP, Statutory Auditor
Chartered Accountants
Comewell House
North Street
Horsham
West Sussex
RH12 1RD

Date 31 March 2011

MALAYAN INSURANCE COMPANY (UK) LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	£	2009 £	£
TECHNICAL ACCOUNT - GENERAL BUSINESS					
Net Claims paid			-		(20650)
Gross change in the provision for claims		-		(97,739)	
Reinsurers' share		-		-	
Net change in the provision for claims			-		(97,739)
Claims incurred net of reinsurance	4		-		(118,389)
Net operating expenses	6		-		66,563
Total technical charges			-		(51,826)
BALANCE ON THE TECHNICAL ACCOUNT FOR GENERAL BUSINESS			-		£51,826

MALAYAN INSURANCE COMPANY (UK) LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	£	2009 £	£
NON-TECHNICAL ACCOUNT					
Balance on the general business technical account		-		51,826	
Administrative expenses	7	(26,350)		-	
Investment income	8	5,889		8,291	
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAX			(20,461)		60,117
Tax on (loss)/profit on ordinary activities	9		-		(6,442)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			£ (20,461)		£66,559

STATEMENT OF RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the loss for the financial year of £20,461 (2009 gain £66,559)

DISCONTINUED OPERATIONS

All gains and losses shown above relate to discontinued operations.

MALAYAN INSURANCE COMPANY (UK) LIMITED

Registered number. 01420622

BALANCE SHEET AS AT 31 DECEMBER 2010

	Notes	2010 £	2009 £
ASSETS			
Investments			
Other financial investments	12	1,490,000	1,500,000
Other Assets			
Cash at bank and in hand		68,180	76,877
Other debtors - Corporation tax		-	6,442
		1,588,180	1,583,319
Prepayments and Accrued Income			
Accrued interest		366	-
Prepayments		-	500
		£1,588,546	£1,583,819
TOTAL ASSETS			

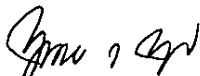
MALAYAN INSURANCE COMPANY (UK) LIMITED

Registered number: 01420622

BALANCE SHEET AS AT 31 DECEMBER 2010 (CONTINUED)

	Notes	2010 £	£	2009 £	£
LIABILITIES					
Capital and Reserves					
Called up share capital	14	750,000		750,000	
Profit and loss account	15	<u>795,845</u>		<u>816,306</u>	
Shareholders funds	16		1,545,845		1,566,306
Technical Provisions					
Claims outstanding	5		-		-
Creditors					
Creditors arising out of reinsurance operations			-		-
Accruals and Deferred Income			12,701		17,513
TOTAL LIABILITIES			<u>£1,558,546</u>		<u>£1,583,819</u>

Approved on behalf of the Board of Directors on 29 March 2011


 Director
 YS Yuchengco



MALAYAN INSURANCE COMPANY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Malayan International Insurance Corporation, which is incorporated in Bahamas. Its ultimate holding company is Pan Malayan Management & Investment Corporation, which is incorporated in the Philippines. Group financial statements can be obtained on application from Pan Malayan & Investment Corporation, 48th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City, Philippines.

2. GOING CONCERN

A solvent scheme of arrangement under Part 26 of the Companies Act 2006 was unanimously approved at a meeting of insurance related creditors held on 1 October 2008. The scheme was subsequently sanctioned by the High Court of England and Wales on 7 October 2008 and became effective on 9 October 2008. The scheme was implemented according with its terms and was terminated on 28 August 2009. The run-off of the company's insurance business has therefore concluded. No decision has been made regarding the future of the Company. The financial statements have therefore been prepared on a going concern basis. The directors are of the opinion that there would be no material adjustment to be made to the accounts should they be prepared on a break up basis.

3. ACCOUNTING POLICIES

(a) Basis of Preparation

These accounts have been prepared in compliance with section 396 of the Companies Act 2006 and Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2009.

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of investments.

(b) Basis of accounting

The annual basis of accounting has been applied to all business as required by the ABI SORP.

ACCOUNTING POLICIES (CONTINUED)

(c) Claims

Claims incurred comprise adjustments to the estimated cost of claims outstanding, including related direct and indirect claims handling costs

The provision for claims outstanding is based on the estimated ultimate cost of all claims notified but not settled by the balance sheet date, together with the provisions for related claims handling costs. The provision also includes the estimated cost of claims incurred but not reported at the balance sheet date. Claims are shown net of salvages

The provision for claims outstanding is based on information available at the balance sheet date. Significant delays are experienced in the notification and settlement of certain claims and accordingly the ultimate cost of such claims cannot be known with certainty at the balance sheet date. Subsequent information and events may result in the ultimate liability being less than, or greater than, the amount provided. Any differences between provisions and subsequent settlements are dealt with in the technical account - general business of later years

Any difference between the technical provision resulting from the above and the net revenue fund has been included in the Profit and Loss account - technical account for the year.

(d) Deferred Tax

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

(e) Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling on 31 December 2010. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account.

(f) Investment and investment Income

Investments comprise interest bearing cash deposits made with financial institutions, at cost which is equivalent to the market value

Investment income comprises interest receivable on deposits held with financial institutions and is accounted for on an accruals basis and is stated gross of any applicable taxation amount.

(g) Taxation

Provision has been made at current rates for taxation or taxation relief on all profits and losses included in the statements

MALAYAN INSURANCE COMPANY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

4 CLAIMS INCURRED NET OF REINSURANCE

	Gross £	Reinsurance £	Net £
2010			
Claims Paid	-	-	-
Movement in technical provisions	-	-	-
	<hr/>	<hr/>	<hr/>
Claims incurred	-	-	-
	<hr/>	<hr/>	<hr/>
	Gross £	Reinsurance £	Net £
2009			
Claims paid	(20,650)	-	(20,650)
Movement in technical provisions	(97,739)	-	(97,739)
	<hr/>	<hr/>	<hr/>
Claims incurred	(118,389)	-	(118,389)
	<hr/>	<hr/>	<hr/>

	2010 £	2009 £
5 GROSS TECHNICAL PROVISIONS		
Balance at 1 January	-	102,777
Exchange adjustment	-	(5,038)
Movement in provision for the year	-	(97,739)
	<hr/>	<hr/>
Balance at 31 December	-	-
	<hr/>	<hr/>

MALAYAN INSURANCE COMPANY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
(CONTINUED)

	2010 £	2009 £
6 NET OPERATING EXPENSES		
Administrative expenses	-	65,706
Exchange Differences	-	857
	<u>NIL</u>	<u>66,563</u>

	2010 £	2009 £
7. ADMINISTRATIVE EXPENSES		
Administrative expenses include:		
Auditors remuneration	<u>12,000</u>	<u>18,500</u>
The auditors remuneration is analysed below:		
Audit of financial statements	7,000	10,500
Taxation Services	5,000	4,000
Other Services	-	4,000
	<u>12,000</u>	<u>18,500</u>

The 2009 auditor's remuneration relates to the previous auditor.

	2010 £	2009 £
8. INVESTMENT INCOME		
Income from other investments	<u>5,889</u>	<u>8,291</u>

MALAYAN INSURANCE COMPANY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

9 TAXATION

- (a) Analysis of charge in year
The charge for taxation comprises:

Current Tax.

	2010 £	2009 £
United Kingdom corporation tax	=	=

- (b) Factors Affecting Tax Charge for Year
The tax assessed for the year ended 31 December 2010, is lower than the standard rate of corporation tax in UK of 28% (2009: 28.50%)

(Loss)/profit on ordinary activities before tax	(20,461)	60,117
Taxation at standard rate of 28% (2009: 28%)	(5,729)	16,833
Effects of		
Non taxable income	-	(33,149)
Expenses not deductible for tax purposes	-	8,038
Tax losses carried forward	5,729	-
Tax losses unutilised	-	1,848
Tax rate adjustment	-	(12)
Current tax charge for year	<u>(NIL)</u>	<u>(6,442)</u>

10 DEFERRED TAXATION

The company has an unrecognised deferred tax asset of £NIL as at 31 December 2010 arising on carried forward tax losses (2009: £NIL). This asset has not been recognised due to the uncertainty of the company having suitable taxable profits in the foreseeable future against which these tax losses can be utilised.

11 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

CityNet Law a company of which Mr H Bohling is the sole principal received a fee of £500 (2009- £1,500) for the provision of his services as a Director. CityNet Law was also paid £NIL (2009- £1,008) for legal services regarding the Scheme of Arrangement which was implemented during 2009. No other directors of the company received any remuneration for services rendered to the Company during the year (2009- £NIL). Chilton International Limited a company of which Mrs E Bagshaw is a Director and minority shareholder received £7,754 in fees for run-off services provided in the period to 28 April 2010, that she served as a Director of the company (2009-£31,304).

No directors were members of a defined benefit or a money purchase pension scheme, exercised share options, or received shares under an incentive scheme (2009: £NIL).

There are no other employees of the Company except the directors listed on page 1.

MALAYAN INSURANCE COMPANY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

12. OTHER FINANCIAL INVESTMENTS

	2010		2009	
	Market Value £	Cost £	Market Value £	Cost £
Deposits with credit institutions	1,490,000	1,490,000	1,500,000	1,500,000

	2010 Reinsurance £	2009 Reinsurance £
13. SEGMENTAL INFORMATION		
Gross claims incurred	-	118,389
Gross operating expenses	-	<u>66,562</u>
Gross technical result	-	51,826
Reinsurance balance	-	-
Net technical result	-	51,826
Net technical provisions	<u>£Nil</u>	<u>£Nil</u>

The company wrote only reinsurance business in the United Kingdom therefore analysis of business between major direct classes is not applicable

	2010 £	2009 £
14. CALLED UP SHARE CAPITAL		
Authorised share capital		
2,000,000 ordinary shares of £1 each	<u>£2,000,000</u>	<u>£2,000,000</u>
1,000,000 shares issued and 75p paid	<u>£750,000</u>	<u>£750,000</u>

MALAYAN INSURANCE COMPANY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

15 PROFIT AND LOSS ACCOUNT

	2010	2009
	£	£
Balance at 1 January	816,306	749,747
(Loss)/profit retained	<u>(20,461)</u>	<u>66,559</u>
Balance at 31 December	<u>£795,845</u>	<u>£816,306</u>

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010	2009
	£	£
Retained (loss)/profit for the financial year	(20,461)	66,559
Net (reduction)/ increase in shareholders' funds	<u>(20,461)</u>	<u>66,559</u>
Opening shareholders' funds	<u>1,566,306</u>	<u>1,499,747</u>
Closing shareholders' funds	<u>£1,545,845</u>	<u>£1,566,306</u>

17 CASH FLOW

The company is exempt from preparing a cash flow statement under FRS 1 (revised) as it is a wholly owned subsidiary. Its cash flows are included in the consolidated statement of cash flows of the holding company.

18 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS8 not to disclose transactions with other group companies.