

Malling Investments Limited

**Annual Report and Financial Statements
for the year ended 31 December 2009**

The Company's registration number is 05946442



Financial Statements - for the year ended 31 December 2009

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Directors and Advisers

Directors

K. E. Randall

M E Randall (Resigned 27 October 2009)

Secretary

R&Q Secretaries Limited

Registered Office

9-13 Fenchurch Buildings
London
EC3M 5HR

Bankers

National Westminster Bank Plc
City of London Office
PO Box 12258
1 Princes Street
London
EC2R 8PA

Auditors

Littlejohn LLP
1 Westferry Circus
Canary Wharf
London
E14 4HD

Registered Number

05946442

**Report of the Directors
For the year ended 31 December 2009**

The Directors have pleasure in presenting their Report together with the audited Financial Statements for the year ended 31 December 2009.

Principal Activities

The Company was formed to acquire and develop a patent of a system to improve productivity in the building industry. The venture has not been successful to date and no income has yet been earned. The Directors have decided that the Company should cease to trade.

Review of the Business and Future Developments

The profit and loss account for the year to 31 December 2009 is set out on page 6.

No dividend was paid in the year ended 31 December 2009 (2008 – Nil).

Directors

The names of the Directors at the date of this Report appear on page 1.

Directors' and Officers' Liability Insurance

As permitted by the Companies Act 2006, an insurance policy has been purchased on a group basis which covers the Directors of the Company.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are individually aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Littlejohn LLP has signified its willingness to continue in office as auditors.

Report of the Directors
For the year ended 31 December 2009 (Continued)

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations

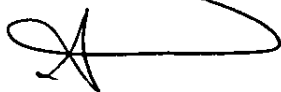
Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments 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 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.

These accounts are prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006.

By Order of the Board



R&Q Secretaries Limited
Company Secretary

23 March 2010

Independent Auditors' report to the Shareholders of Malling Investments Limited

We have audited the Financial Statements of Malling Investments Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 shareholders 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 shareholders 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 Directors' Responsibilities Statement, 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 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.

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 December 2009 and of its 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 Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

**Independent Auditors' report to the Shareholders of
Malling Investments Limited (Continued)**

Matters on which we are required to report by exception

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

We have nothing to report in respect of the above matters

Carmine Papa

**Carmine Papa (Senior statutory auditor)
For and on behalf of Littlejohn LLP
Statutory Auditor**

7 April

2010

1 Westferry Circus
Canary Wharf
London
E14 4HD

Profit and loss account
For the year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover		-	-
Net operating expenses		-	10,015
<hr/>			
Loss on ordinary activities before taxation	2	-	(10,015)
Taxation on loss on ordinary activities	3	-	(75,138)
<hr/>			
Loss on ordinary activities after taxation	8	-	(85,153)
<hr/>			

The Company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented

All operations are discontinued

The accounting policies and notes on pages 8 to 12 form part of these Financial Statements

Balance sheet
As at 31 December 2009

Reg No. 05946442

	Note	2009 £	2008 £
Fixed Assets			
Intangible assets	4	-	-
Current Assets			
Debtors	5	-	75,138
Cash at bank and in hand		75,138	-
		<u>75,138</u>	<u>75,138</u>
Creditors' amounts falling due within one year	6	<u>(315,449)</u>	<u>(315,449)</u>
Net current liabilities		(240,311)	(240,311)
		<u> </u>	<u> </u>
Net liabilities		<u>(240,311)</u>	<u>(240,311)</u>
Capital and Reserves			
Called up share capital	7	100	100
Profit and loss account	8	(240,411)	(240,411)
		<u> </u>	<u> </u>
Total Shareholder's funds	9	<u>(240,311)</u>	<u>(240,311)</u>

The Financial Statements were approved by the Board of Directors on 23 March 2010 and were signed on its behalf by,



K. E. Randall
Director

The accounting policies and notes on pages 8 to 12 form part of these Financial Statements.

Notes to the Financial Statements

For the year ended 31 December 2009

1 Principal accounting policies

The Financial Statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The Financial Statements are prepared under the historical cost basis of accounting. The Company has ceased trading and, as required by FRS 18 'Accounting Policies', the Directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

The Company has borrowed from its parent company, Ludgate No. 1 Limited (formerly known as Ludgate Insurance Company Limited), which at the Balance Sheet date was owed £315,449 (2008: £315,449). The parent has confirmed it will continue to provide funds while the Company deals with its affairs. The parent has confirmed that it will not seek repayment of these borrowings if to do so would leave the Company unable to pay its debts as they fall due.

The parent company has confirmed that it will provide adequate cash resources to enable the Company to meet its liabilities as they fall due. On this basis the Directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future.

Turnover

Turnover represents the value of services rendered during the year, excluding VAT.

Intangible Assets

Goodwill and other intangible assets acquired on the purchase of a business are capitalised and amortised over the year of their useful life. In the circumstances of the Company ceasing to trade, the full amount has been amortised.

Deferred Taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities have not been discounted.

Notes to the Financial Statements
For the year ended 31 December 2009 (Continued)

2	Operating Loss	2009	2008
		£	£
	This is stated after charging		
	Auditors' remuneration		
	- for audit of the financial statements	-	-
	Amortisation of intangible fixed assets	-	-

3.	Taxation	2009	2008
		£	£

(a) Analysis of charge in year

Adjustments in respect of prior years	-	(75,138)
Current tax	-	(75,138)

(b) Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2008: 28.5%) The differences are explained below:

	2009	2008
	£	£
Profit on ordinary activities before tax	-	10,015
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 28.5%)	-	2,854
Effects of:		
Other timing differences	-	(998)
Losses brought forward utilised in the year	-	(1,856)
Adjustments in respect of prior years	-	(75,138)
Current tax credit for year	-	(75,138)

(c) Factors that may affect future tax charges

The Company has tax losses arising in the UK of £60,000 (2008: £60,000) that are available for offset against future taxable profits of the Company

Notes to the Financial Statements
For the year ended 31 December 2009 (Continued)

3. Taxation (continued)

(d) Deferred tax

Details of the deferred tax asset not included in the Financial Statements are given below. Deferred tax is not recognised due to the uncertainty of its recovery

	2009	2008
	£000	£000
Trading losses available for carry forward	<u>(16,813)</u>	<u>(16,813)</u>
	<u>(16,813)</u>	<u>(16,813)</u>
4 Intangible fixed assets	Purchase	
	of a	
	business	
	2009	
	£	
Cost of intangible assets	200,000	
Amortised	(200,000)	
Net book value at 31 December 2008 and 2009	<u>-</u>	
5 Debtors	2009	2008
	£	£
Amounts owed by group undertakings	-	75,138
Other debtors	-	-
	<u>-</u>	<u>75,138</u>
6. Creditors: amounts falling due within one year	2009	2008
	£	£
Bank overdraft	-	-
Amounts due to group undertakings	315,449	315,449
Accruals	-	-
	<u>315,449</u>	<u>315,449</u>

Notes to the Financial Statements
For the year ended 31 December 2009 (Continued)

7 Called up share capital

	2009	2008
	£	£
Authorised		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

8 Profit and loss account

	2009	2008
	£	£
At 1 January	(240,411)	(325,564)
Profit on ordinary activities after taxation	-	85,153
At 31 December	<u>(240,411)</u>	<u>(240,411)</u>

9 Reconciliation of movement in shareholders' funds

	2009	2008
	£	£
Opening shareholders' funds	(240,311)	(325,464)
Profit on ordinary activities after taxation	-	85,153
Closing shareholders' funds	<u>(240,311)</u>	<u>(240,311)</u>

10 Capital commitments

There were no capital commitments at 31 December 2009 (2008. nil)

11 Related party transactions

The Company is controlled by Randall & Quilter Investment Holdings Plc ("RQIH") and has taken advantage of the provision in Financial Reporting Standard No 8 which allows the Company not to disclose transactions with other consolidated group companies qualifying as related parties

Notes to the Financial Statements
For the year ended 31 December 2009 (Continued)

12 Ultimate parent undertaking

The Company's immediate parent undertaking is Ludgate No 1 Limited and its ultimate parent undertaking is RQIH, which is registered in England and Wales. The Financial Statements of the ultimate parent undertaking can be obtained from 9-13 Fenchurch Buildings, London, EC3M 5HR