

Malling Investments Limited

**Annual Report and Financial Statements
for the year ended 31 December 2010**

The Company's registration number is 05946442



Financial Statements - for the year ended 31 December 2010

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Director and Advisers

Director

K E Randall

Secretary

R&Q Secretaries Limited

Registered Office

110 Fenchurch Street
London
EC3M 5JT

Bankers

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

Auditors

Littlejohn LLP
Statutory Auditors
1 Westferry Circus
Canary Wharf
London
E14 4HD

Registered Number

05946442

Report of the Director
For the year ended 31 December 2010

The Director has pleasure in presenting their Report together with the audited Financial Statements for the year ended 31 December 2010

Principal Activity

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 Director has decided that the Company should cease to trade.

Simultaneously the parent has agreed to extinguish all balances due from the group. Accordingly, the elimination of the total indebtedness to the parent (£240,311) has been treated as net income in the year with the result that the Company has zero net assets and shareholders funds at year end.

Review of the Business and Future Developments

The profit and loss account for the year to 31 December 2010 is set out on page 6.

Director

The name of the Director at the date of this Report appear on page 1.

Director and Officer Liability Insurance

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

Disclosure of Information to Auditors

The Director who held office at the date of approval of this Report of the Director 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 Director
For the year ended 31 December 2010 (Continued)**

Statement of Directors' Responsibilities

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


Company law requires the Director to prepare Financial Statements for each financial year. Under that law the Director has 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 Director 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 Director is required to:

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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.

This report is 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
For and on behalf of



R&Q Secretaries Limited

R&Q Secretaries Limited
Company Secretary

26th April 2011

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 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 8. 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 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.

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 2010 and of its results 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**

27 April

2011

1 Westferry Circus
Canary Wharf
London
E14 4HD

Profit and loss account
For the year ended 31 December 2010

	Notes	2010 £	2009 £
Turnover		-	-
Net operating income		240,311	-
Profit on ordinary activities before taxation		240,311	-
Taxation on profit on ordinary activities	2	-	-
Profit on ordinary activities after taxation	5	240,311	-

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

All operations are discontinued.

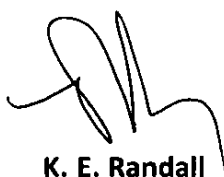
The accounting policies and notes on pages 8 to 11 form part of these Financial Statements

Balance sheet
As at 31 December 2010

Reg No. 05946442

	Note	2010 £	2009 £
Current Assets			
Cash at bank and in hand		-	75,138
		-	75,138
Creditors amounts falling due within one year	3	-	(315,449)
Net current liabilities		-	(240,311)
Net liabilities		-	(240,311)
Capital and Reserves			
Called up share capital	4	100	100
Profit and loss account	5	(100)	(240,411)
Total Shareholder's funds	6	-	(240,311)

The Financial Statements were approved by the Board of Directors on 26th April 2011
and were signed on its behalf by;



K. E. Randall
Director

The accounting policies and notes on pages 8 to 11 form part of these Financial Statements

Notes to the Financial Statements

For the year ended 31 December 2010

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 £nil (2009: £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.

Cash flow statement

Advantage has been taken of the exemption under Financial Reporting Standard 1 (Revised), "Cash Flow Statements", from preparing a cash flow statement on the grounds that R&Q Consultants Limited is a wholly owned subsidiary undertaking of R&Q Investment Holdings plc, and is included within the publicly available consolidated financial statements of Randall and Quilter Investment Holdings plc.

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 2010 (Continued)

2. Taxation

(a) No provision has been made in the financial statements for corporation tax at current rates as there are no assessable profits for the period

(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% (2009. 28%) The differences are explained below:

	2010 £	2009 £
Profit on ordinary activities before tax	240,311	-
Profit on ordinary activity multiplied by standard rate of corporation tax in the UK of 28% (2009 : 28%)	67,287	-
Effects of:		
Income not taxable for tax purposes	(67,287)	-
Current tax charge	-	-

(c) Factors that may affect future tax charges

The Company has tax losses carried forward in the UK of £60,000 (2009 £60,000) that are available indefinitely for offset against future taxable profits of the Company

(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.

	2010 £000	2009 £000
Trading losses available for carry forward	(16,813)	(16,813)
	(16,813)	(16,813)

Notes to the Financial Statements
For the year ended 31 December 2010 (Continued)

3 Creditors: amounts falling due within one year

	2010	2009
	£	£
Amounts due to group undertakings	-	315,449
	<u>-</u>	<u>315,449</u>

4 Called up share capital

	2010	2009
	£	£
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>

5 Profit and loss account

	2010	2009
	£	£
At 1 January	(240,411)	(240,411)
Profit on ordinary activities after taxation	240,311	-
At 31 December	<u>(100)</u>	<u>(240,411)</u>

6 Reconciliation of movement in shareholder's funds

	2010	2009
	£	£
Opening shareholders' funds	(240,311)	(240,311)
Profit on ordinary activities after taxation	240,311	-
Closing shareholders' funds	<u>-</u>	<u>(240,311)</u>

7 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 2010 (Continued)

8 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 110 Fenchurch Street, London, EC3M 5JT.