

Company Registration No. 2505599

New Malden House Limited

Report and Financial Statements

31 December 2009

FRIDAY



LOE7CJZO

LD6

14/05/2010

82

COMPANIES HOUSE

New Malden House Limited

Report and Financial Statements 2009

Contents	Page
Directors' Report	1
Statement of Directors' Responsibilities	3
Independent Auditors' Report	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

New Malden House Limited

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2009

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 415a of the Companies Act 2006

Principal Activities

The principal activity of the Company is to hold investments and to earn income therefrom

Review of the business

The results for the year are shown on page 6. The Company has performed in line with expectations. The Directors expect the principal activity of the Company to remain unchanged for the foreseeable future.

The financial statements have been prepared on a going concern basis as described in note 1.2.

On 17 June 2009 using the solvency statement procedure referred to in section 641(1)(a) of the Companies Act 2006, the Company reduced its share capital by 6,499,999 ordinary shares. The reserve arising, following the reduction has been treated as realised profit for the purposes of Part 23 of the Companies Act 2006.

Dividends

The Directors paid an interim dividend of £7,413,331 (2008: £nil). No final dividend was proposed for the year ended 31 December 2009 (2008: £nil).

Directors

The Directors, who served throughout the year except as noted, were as follows:

Mr E H Klotz

Mr T J L Wills

Mr A G P Millet

Mr J H Whiteley (appointed 22 January 2010)

Qualifying third-party indemnity provisions (as defined in section 234 of the Companies Act 2006) are in force for the benefit of the Directors and former Directors who held office in 2009.

New Malden House Limited

Directors' Report

Auditors

Each of the persons who is a Director at the date of approval of this report confirms that

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

Pursuant to s386 Companies Act 1985, an Elective Resolution was passed on 9 October 2002 dispensing with the requirement to appoint auditors annually. In accordance with that Elective Resolution and paragraph 45(2), Schedule 3 of the Companies Act 2006 (Commencement No 3 Consequential Amendments, Transitional Provisions and Savings) Order 2007, Deloitte LLP is deemed to continue as auditor of the Company

Approved by the Board of Directors
and signed by order of the Board



Mr D F Fuller
Secretary

6 May 2010

Registered office.

86 Bondway
London
SW8 1SF

New Malden House Limited

Statement of Directors' Responsibilities

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). 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 judgements and 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 Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions 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.

Independent Auditors' Report to the members of New Malden House Limited

We have audited the financial statements of New Malden House 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 members those matters we are required to state to them in an auditors' 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 auditors

As more fully explained in the Statement of Directors' Responsibilities, 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 Practice Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of 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

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 matters prescribed in the Companies Act 2006

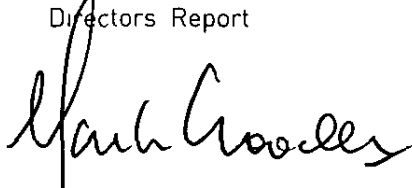
- In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the members of New Malden House 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 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, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors Report



Mark Goodey (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

London, United Kingdom

6 May 2010

New Malden House Limited

Profit and Loss Account Year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover	2	99	235
Administrative expenditure	5	(520)	497,747
Other operating income		1,150	-
Operating profit		<u>729</u>	<u>497,982</u>
Profit on sale of fixed asset investments	7	103	7,043,759
Interest receivable and similar income		112,457	394,602
Interest payable and similar charges	3	(2,417)	(86,691)
Profit on ordinary activities before taxation	5	<u>110,872</u>	<u>7,849,652</u>
Tax credit on profit on ordinary activities	6	-	3,000
Profit for the financial year	11	<u><u>110,872</u></u>	<u><u>7,852,652</u></u>

The Company has no other recognised gains or losses other than those reported in the Profit and Loss Account

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above, and their historical cost equivalents

All items included in the Profit and Loss Account are part of continuing operations

New Malden House Limited

Balance Sheet 31 December 2009

	Notes	2009 £	2008 £
Fixed assets			
Investments	7	-	5,000
Current assets			
Debtors due within one year	8	701,494	8,089,057
Cash at bank		-	2,530
		701,494	8,091,587
Creditors: amounts falling due within one year	9	(698,083)	(790,717)
Net current assets		3,411	7,300,870
Net assets		3,411	7,305,870
Capital and reserves			
Called up share capital	10	1	6,500,000
Profit and loss account	11	3,410	805,870
Shareholders' funds		3,411	7,305,870

The financial statements of New Malden House Limited (registered number 2505599) were approved by the Board of Directors on 6 May 2010

Signed on behalf of the Board of Directors



Mr J H Whiteley
Director

New Malden House Limited

Notes to the Financial Statements 31 December 2009

1 Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 not to prepare a cash flow statement as a cash flow statement has been prepared for the Group. The Company is a wholly owned subsidiary of CLS Holdings plc and has taken advantage of the exemption in Financial Reporting Standard No. 8 not to detail transactions with fellow Group undertakings as the financial statements of CLS Holdings plc are publicly available.

1.2 Going concern

The Company's business activities and review of the business are set out in the Directors' Report.

The Directors have reviewed the current and projected financial position of the Company making reasonable assumptions about future income streams and cost base. The Company continues to have a small net asset base which will continue to generate positive cash flows going forward.

On the basis of this review the Directors have concluded that the Company has the ability to meet all external liabilities as they fall due over the course of the twelve months from the date of these financial statements. Accordingly the Directors continue to adopt the going concern basis in preparing the annual report financial statements.

1.3 Investments

Fixed asset investments are held at cost. A provision is made for any permanent diminution in value.

1.4 Turnover

Turnover comprises interest income receivable from investments and is recognised on an accruals basis in accordance with the underlying interest rate.

1.5 Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date, where transactions or events which 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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the reversal of the underlying timing differences can be deducted.

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

New Malden House Limited

Notes to the Financial Statements 31 December 2009

2. Turnover

	2009 £	2008 £
Interest receivable	99	235
Turnover arose wholly within the United Kingdom		

3. Interest payable and similar charges

	2009 £	2008 £
On loans from group undertaking	-	86,691
Bank interest	2,417	-
	2,417	86,691

4. Directors' emoluments and employee information

The emoluments of the Directors of the Company who are also directors of CLS Holdings plc are disclosed in that company's financial statements in respect of their services to the Group as a whole. None of the Directors received emoluments for their services to the Company during the year (2008: £nil). The Company had no employees during the year (2008: none).

5. Profit on ordinary activities before taxation

	2009 £	2008 £
This is stated after charging:		
Fees payable to the Company's auditors for the audit of the Company's financial statements (borne by the ultimate parent company in 2009)	-	3,068

Included within operating expenses for 2008 are the write back of accrued expenses estimated at 31 December 2007 amounting to £597,303. The net impact is that administrative expenses are a credit in the Profit and Loss Account for 2008 of £497,747.

6. Tax credit on profit on ordinary activities

	2009 £	2008 £
Payments received for losses surrendered as group relief in previous periods	-	(3,000)
Total tax credit on profit on ordinary activities	-	(3,000)

New Malden House Limited

Notes to the Financial Statements 31 December 2009

6. Tax charge on profit on ordinary activities (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit on ordinary activities before tax is as follows

	2009 £	2008 £
Profit on ordinary activities before tax	110,872	7,849,652
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation of 28.0% (2008: 28.5%)	31,044	2,237,151
Effect of		
Differences due to non-deductible expenses and items not included in profit for tax purposes	-	(222,034)
Estimated differences between the accounting loss and taxable profit on capital disposals	-	(1,362,439)
Losses claimed by group/consortium relief for all nil payment and differences between capital allowances and depreciation	(31,044)	(652,678)
Receipt for group relief surrendered in respect of previous periods	-	(3,000)
Current tax credit	-	(3,000)

7. Investments

	Gilts £
At 1 January 2009	5,000
Disposals	(5,000)
At 31 December 2009	-

Gilts were purchased at a cost of £5,000 were sold during the year realising a profit of £103. Market value at 31 December 2008 was £5,203.

New Malden House Limited

Notes to the Financial Statements 31 December 2009

8. Debtors: due within one year

	2009 £	2008 £
Due from group undertakings	701,494	7,793,536
Other debtors	-	295,521
	<u>701,494</u>	<u>8,089,057</u>

9. Creditors: amounts falling due within one year

	2009 £	2008 £
Amounts due to group undertakings	197,830	204,025
Accruals and deferred income	500,000	586,692
Trade creditors	253	-
	<u>698,083</u>	<u>790,717</u>

10. Called up share capital

	2009 £	2008 £
Authorised		
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>1</u>	<u>6,500,000</u>

On 17 June 2009 using the solvency statement procedure referred to in section 641(1)(a) of the Companies Act 2006, the Company reduced its share capital by 6,499,999 ordinary shares. The reserve arising, following the reduction, has been treated as realised profit for the purposes of Part 23 of the Companies Act 2006.

New Malden House Limited

Notes to the Financial Statements 31 December 2009

11. Combined statement of reserves and reconciliation of movement in shareholders' funds

	Share capital £	Profit and loss account £	2009 Total £	2008 Total £
At 1 January	6,500,000	805,870	7,305,870	(546,782)
Capital reduction	(6,499,999)	6,499,999	-	-
Dividend paid	-	(7,413,331)	(7,413,331)	-
Profit for the financial year	-	110,872	110,872	7,852,652
	<u>1</u>	<u>3,410</u>	<u>3,411</u>	<u>7,305,870</u>
Balance at 31 December				

12 Parent undertaking

The Directors consider that the immediate and ultimate parent undertaking and controlling party is CLS Holdings plc which is incorporated in Great Britain and registered in England and Wales. Copies of the parent's group financial statements may be obtained from The Secretary, CLS Holdings plc, 86 Bondway, London SW8 1SF.