

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your ordinary shares in Meriden Group plc (the “Company”), please forward this document at once, together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.



MERIDEN GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 1985, registered no. 04160983)

Proposed Capital Reorganisation

and

Notice of Annual General Meeting

Action to be taken by Shareholders is set out on page 7 of this document.

You will find set out at the end of this document, notice of the Annual General Meeting of Shareholders to be held at 9.00a.m. on Friday 8 June 2007 at Meriden House, 6 Great Cornbow, Halesowen, West Midlands, B63 3AB. To be valid for use at the meeting, the Form of Proxy must be completed and returned so as to be received by the Company’s Registrars, Neville Registrars Limited, Neville House, Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and, in any event so that it is received no later than 9.00a.m. on 6 June 2007.

DEFINITIONS

“Act”	the Companies Act 1985, as amended
“AIM”	AIM, a market operated by London Stock Exchange plc
“AIM Rules”	the AIM Rules for Companies, published by the London Stock Exchange from time to time
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 9.00a.m. on Friday 8 June 2007 at Meriden House, 6 Great Cornbow, Halesowen, West Midlands, B63 3AB
“Company”	Meriden Group plc
“Deferred Shares”	deferred shares of 0.01 pence each in the capital of the Company to be created pursuant to the Share Capital Reorganisation
“Director” or “Board”	the director of the Company being Mr Russell Warren Stevens
“New Ordinary Shares”	the new ordinary shares of 0.01 pence each in the capital of the Company to be created pursuant to the Share Capital Reorganisation
“Notice”	the notice of annual general meeting which is set out at the end of this document
“Ordinary Share”	the existing ordinary shares of 0.1 pence each in the capital of the Company
“Proposals”	the recommended proposals in respect of the Share Capital Reorganisation and the adoption of the Company’s investing strategy as set out in this circular
“Share Capital Reorganisation”	the proposed share capital reorganisation, details of which are set out in this circular, to be effected by the passing of the resolutions set out in the notice of AGM at the end of this document
“Shareholder”	a holder of Ordinary Shares



(Incorporated and registered in England and Wales under the Companies Act 1985, registered no. 04160983)

Registered office
Meriden House
6 Great Cornbow
Halesowen
West Midlands
B63 3AB

27 April 2007

Director

Russell Warren Stevens (Chairman and Chief Executive)

To Shareholders and, for information only, to the holders of options over Ordinary Shares

Dear Sir or Madam

Background

Shareholders will be aware that the trading in the Company's shares was temporarily suspended on 7 September 2006 because of an impending winding up petition being submitted against the Company by SeaFrance SA, a residual creditor of the Logistics division.

With the winding up petition being held in court, I proposed that the Group should attempt to enter into a Creditors Voluntary Arrangement ("CVA") between all of the creditors. I entered into discussions with the major creditors in order that this could be agreed so that we could avoid the Company from being wound up. To facilitate this, I agreed to lend £30,000 to the Company so that this would enhance the funds available for the CVA. I am pleased to say that my discussions with the creditors were successful and the CVA proposal was passed on 13 December 2006. Following this, the petition for winding up of the Company was dismissed by the court.

With the successful approval of the CVA, the board made the decision that the year end should be extended to 31 December 2006 in order to allow for the preparation of a 17 month period set of accounts which could therefore incorporate the CVA. I believe that these accounts provide a more informative current situation of the Company to shareholders, that is, following the approval of the CVA. The results for this extended period were subsequently announced on AIM on 12 March 2007 and I am pleased to say that, following this, trading of the shares on AIM was reinstated.

A copy of the report and accounts for the 17 months ended 31 December 2006 is enclosed with this document and you will note that they contain an audit report that is

not qualified, although it makes reference to the going concern notes contained within the accounts.

Proposals

The purpose of this document is to provide you with information on the proposed Share Capital Reorganisation and seek your approval of the Proposals.

Following the entry into the CVA and the closure of the Group's trading activities, the Company is now a non trading Company. This means that, under the AIM Rules for Companies, the Company will need to make an acquisition or acquisitions, which will result in a fundamental change in the business of the Company, or otherwise implement the investing strategy, which it is proposed now be adopted (further details of which are set out below).

The Share Capital Reorganisation is conditional, *inter alia*, on the passing of resolutions to be proposed at the AGM which has been convened for 9.00am on Friday 8 June 2007, notice of which is set out at the end of this document.

Investing Strategy

The Company's shares are currently trading on AIM, but the Company is classified as a non trading shell whilst it attempts to find an opportunity to allow for the relaunch of the Company as a broad based business services Group. I have been reviewing potential opportunities and has been actively searching for a business which would allow for this relaunch and I set out below the proposed investing strategy going forward.

Following the Share Capital Reorganisation, I believe that the Company could be attractive to a number of potential acquisition targets.

The Company will seek to acquire a company or business in the business services sector, for the consideration for which will be satisfied wholly or predominantly by the issue of New Ordinary Shares. I intend that the Company should make a single acquisition and the Company will thereafter actively manage the investment. The main investment criteria that will be applied in assessing potential targets are that the company or business: -

- is based in the UK, Europe or North America; and
- has growth prospects which, if achieved, will be earnings enhancing for Shareholders.

I will be looking for a business with a proven business model and with strong operational management capable of forming in due course the executive board of the Company.

However, these criteria are not intended to be exhaustive and the Company may make an investment or acquisition which does not fulfil the above criteria if it is believed it is in the interests of Shareholders as a whole to proceed. Any acquisition will be put to Shareholders for their approval at the appropriate time.

I believe that I have appropriate expertise for evaluating potential transactions. I am a certified chartered accountant and, in 1991, founded Hamiltons, a multi-disciplinary accountancy practice. I became managing director of Hamiltons Group Limited on its incorporation in May 1997, subsequently stepping down to become Chief Executive of its sister company, Meriden Group Plc. I have a portfolio of unquoted companies in which I have active investments and specialises in providing strategic advice to growing businesses. I am is also Managing Director of Bidtimes Plc, an investment company, which floated on AIM in July 2000 and Chief Executive of Innobox Plc, which floated on AIM in January 2001 and which operates in the licensed trade sector.

I will be use the services of the Company's advisers to conduct due diligence on any suitable opportunities and seeking further external advice from experts as necessary.

Under the AIM Rules, the Company will have to complete a reverse takeover by 8 June 2008 or trading in the Ordinary Shares on AIM will be suspended for up to six months, following which the listing on AIM will be cancelled if a reverse takeover has not been completed by that time.

There is no guarantee that the Company will make a successful acquisition. However, if an acquisition and/or investment is not completed by 8 December 2008, the Director will give Shareholders the opportunity to consider the future of the Company by convening an extraordinary general meeting to consider whether the Company should distribute funds to Shareholders.

Share Capital Reorganisation

The closing mid-market price of an existing Ordinary Share was 0.05 pence on 24 April 2007, being the last dealing date prior to publication of this document following the reinstatement of the trading in the Ordinary Shares on 12 March 2007. The Company's share price is therefore below the nominal value of an ordinary share of 0.1 pence. This prohibits the Company from raising any further equity capital since, in order to comply with the Act, any further shares would have to be issued at a price at or above the nominal value. In order to assist the Company with its ongoing and future activities, the Board wishes to increase the current authorised share capital of the Company and have the ability to raise further equity finance. Accordingly, it is necessary to reduce the nominal value of the existing Ordinary Shares from the present level of 0.1 pence per share.

It is proposed that:

1. the authorised share capital of the Company be increased from £2,000,000 to £10,000,000
2. each issued Ordinary Share will be subdivided and reclassified into one New Ordinary Share of 0.01 pence and nine Deferred Shares of 0.01 pence; and
3. each authorised but unissued Ordinary Share will be subdivided into 10 New Ordinary Shares of 0.01 pence.

The rights attaching to the New Ordinary Shares will, save for the change in nominal value and the entitlement of Shareholders in respect of a return of capital or other distributions arising therefrom, be identical in all respects to those of the existing Ordinary Shares.

The Deferred Shares created on the Share Capital Reorganisation becoming effective will have no voting or dividend rights and, on a return of capital, the right only to receive the amount paid up thereon after the holders of New Ordinary Shares have received the aggregate amount paid up thereon plus £100 per New Ordinary Share. They will in effect be valueless.

No share certificates will be issued in respect of the Deferred Shares, nor will CREST accounts of Shareholders be credited in respect of any entitlement to Deferred Shares, nor will they be admitted to trading on AIM or any other investment exchange. It is the Board's intention, at the appropriate time, to make application to the High Court for the Deferred Shares to be cancelled.

The effect of the Share Capital Reorganisation will mean that each New Ordinary Share held by Shareholders will have a nominal value of 0.01 pence each and the number of shares held by Shareholders shall remain the same. Consequently, the market price of a New Ordinary Share immediately after the completion of the Share Capital Reorganisation should be the same as the market price of an existing Ordinary Share immediately prior to the completion of the Share Capital Reorganisation.

AGM

Set out at the end of this document is a notice convening the AGM to be held at Meriden House, 6 Great Cornbow, Halesowen, West Midlands, B63 3AB at 9.00a.m. on Friday 8 June 2007 at which, the following resolutions will be proposed:

Ordinary resolutions

1. To review the company's financial statements for the 17 months ended 31 December 2006, the Director's Report and the Auditors' Report thereon
2. To re-appoint Charles Lovell & Co as auditors and to authorise the Director to fix their remuneration.
3. To increase the authorised share capital to £10,000,000.
4. To approve the investing strategy outlined in this circular.
5. To authorise the Director in accordance with Section 80 of the Act to allot relevant securities up to an aggregate nominal value equal to the authorised but unissued share capital of the Company.

Special resolutions

6. To sub-divide and re-classify issued existing Ordinary Share into one New Ordinary Shares of 0.01 pence and nine Deferred Share of 0.01 pence.
7. To sub-divide each unissued Ordinary Share into 10 unissued New Ordinary Shares of 0.01 pence each.
8. To amend the Company's Articles of Association pursuant to the Share Capital Reorganisation.
9. To empower the Director pursuant to section 95 of the Act to allot equity securities for cash pursuant to the section 80 authority referred to in Resolution 5 above.

Share Certificates

Existing share certificates will remain valid following the Share Capital Reorganisation. No share certificates will be issued in respect of the Deferred Shares.

Action to be taken

You will find enclosed with this document a Form of Proxy for use at the AGM.

Whether or not you intend to be present at the meeting, you are requested to complete the Form of Proxy in accordance with the instructions therein and return in to the Company's registrars, Neville Registrars Limited, Neville House, Laurel Lane, Halesowen, West Midlands as soon as possible and in any event so that it is received no later than 9.00a.m. on 6 June 2007.

Recommendation

I recommend you to vote in favour of the resolutions at the AGM as I intends to do in respect of my own beneficial holding amounting to, in aggregate, 84,500,000 existing Ordinary Shares, representing 24.49 per cent. of the issued share capital of the Company.

Yours faithfully

Russell Stevens
Chairman and Chief Executive



(Incorporated in England and Wales under the Companies Act 1985 with registered number 04160983)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Meriden Group plc (“the Company”) will be held at Meriden House, 6 Great Cornbow, Halesowen, West Midlands, B63 3AB on Friday 8 June 2007 at 9.00a.m. to consider and, if thought fit, pass the following resolutions of which resolutions numbered 1 to 5 will be proposed as ordinary resolutions and resolutions numbered 6 to 9 will be proposed as special resolutions:

Ordinary Resolutions

1. To review the company’s financial statements for the 17 months ended 31 December 2006, the Director’s Report and the Auditors’ Report thereon.
2. To re-appoint Charles Lovell & Co as auditors and to authorise the Director to fix their remuneration.
3. To increase the authorised share capital to £10,000,000 by the creation of 8,000,000,000 new ordinary shares of 0.1p each.
4. That the investing strategy set out in the circular to shareholders of the Company dated 27 April 2007 of which this notice forms part be and is hereby approved.
5. THAT the Directors be generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 (“the ACT”) to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal value equal to the authorised but unissued share capital of the Company immediately following the passing of this Resolution, such power to expire at the conclusion of the next Annual General Meeting of the Company following the passing of this Resolution and provided that such authority shall allow the Company to make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred by this Resolution has not expired

Special Resolutions

6. THAT, conditional upon resolution 5 set out in the Notice convening this meeting, being passed each of the 345,000,000 issued ordinary shares of 0.1 pence each in the capital of the Company be sub-divided and redesignated into one ordinary share of 0.01 pence each and nine deferred shares of 0.01 pence each subject to the rights set out in Article 6 of the Company’s Articles of Association (to be altered pursuant to resolution 8 below).

7. THAT, conditional upon resolution 1 set out in the notice convening this meeting, being passed each of the 9,655,000,000 authorised but unissued ordinary shares of 0.1 pence each be sub-divided and redesignated into 10 ordinary shares of 0.01 pence each subject to the rights set out in Article 6 of the Company's Articles of Association (to be altered pursuant to resolution 8 below).
8. That conditional upon resolutions 6 and 7 above being passed, the Company's Articles of Association be and are hereby altered by:-

- 6.1 the deletion of existing Article 3 and the insertion of a new Article 3 as follows:-

"The authorised share capital of the Company is £10,000,000 divided into 96,895,000,000 ordinary shares of 0.01 pence each and 3,105,000,000 deferred shares of 0.01 pence each."

- 6.2 the insertion of the following new Article 6 and renumbering of existing Article 6 and all subsequent Articles and renumbering all subsequent Articles:

"Deferred Shares"

Any deferred shares in issue shall have the following rights and shall be subject to the following restrictions:

i Return of Capital

On the winding up of the Company, after the holders of ordinary shares have received the aggregate amount paid up thereon plus £100 per ordinary share, there shall be distributed amongst the holders of the deferred shares an amount equal to the nominal value of the deferred shares and thereafter any surplus shall be distributed amongst the holders of the ordinary shares *pro rata* to the number of ordinary shares held by each of them respectively.

ii Dividends

The deferred shares shall not carry any entitlement to dividends.

iii Purchase

The Company may purchase, in accordance with the Companies Act 1985, all the deferred shares in issue at any time for no consideration. Pending such purchase, each holder of deferred shares will be deemed to have irrevocably authorised the Company, at any time:

- (a) to appoint any person to execute (on behalf of the holders of the deferred shares) a transfer thereof and/or an agreement to transfer the same to the Company or to such person or persons as the Company may determine as custodian thereof;

- (b) pending such transfer, to retain such holder's certificate for the deferred shares.

iv **Voting**

The deferred shares will not confer on the holders thereof any entitlement to receive notice of or to attend or vote at any general meetings of the Company.

v **Further participation**

Except as provided above, the deferred shares shall carry no right to participate in the profits or assets of the Company.

vi **Variation of rights**

The rights attaching to the deferred shares shall not be or deemed to be varied or abrogated by the passing of any resolution of the Company reducing its share capital or canceling the deferred shares but so that none of the rights or restrictions attached to the deferred shares shall be or be deemed to be varied or abrogated in any way by the passing or coming into effect of any special resolution of the Company to reduce its share capital and/or reduce or cancel (as the case may be) its share premium account (including a special resolution to reduce the capital paid-up or to cancel such deferred shares) provided that up on a cancellation of all the deferred shares the Company's Articles of Association shall automatically be altered by the deletion of Article 6."

7. THAT the Directors be given power pursuant to section 95 of the Act to allot equity securities (as defined in section 94(2) of the Act) for cash pursuant to the section 80 authority referred to in Resolution 6 above up to an aggregate nominal value equal to the authorised share capital of the Company immediately following the passing of this Resolution as if section 89(1) of the Act did not apply to any such allotment, such power to expire at the conclusion of the next Annual General Meeting of the Company following the passing of the Resolution. The Company may, before the expiry of this power, make an offer or agreement which would or might require equity securities to be allotted after the expiry of this power and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power had not expired

By order of the Board
Russell Stevens
Chairman and Managing Director
27 April 2007

Registered office:
Meriden House
6 Great Cornbow
Halesowen
West Midlands
B63 3AB

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote, on a poll, instead of him. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed for your use if desired. The instrument appointing a proxy must reach the Company's Registrars Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA not less than 48 hours before the time of holding of the meeting.
3. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders of the Company on the register at 9.00a.m. on 6 June 2007 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

Annual General Meeting to be held on 8 June 2007

Form of Proxy

I/We _____
of _____
being a member of Meriden Group plc, appoint the chairman of the meeting, or (see Note 1) _____
as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 9.00a.m on Friday 8 June 2007 and at every adjournment of it. In the event of a poll I/we desire my/our votes to be cast as indicated with an X in the space provided.

Ordinary Resolutions

	FOR	AGAINST
1. To receive the report and accounts		
2. To re-appoint the auditors		
3. To approve the increase in the authorised share capital of the company to £10,000,000		
4. To approve the investment strategy of the company		
5. To provide the directors with the authority to allot relevant securities pursuant to section 80 of the Act.		

Special Resolutions

6. To sub-divide and re-classify each existing issued ordinary share of 0.1p each		
7. To sub-divide each authorised but unissued ordinary share of 0.1p		
8. To amend the Company's Articles of Association pursuant to the share capital reorganisation		
9. To disapply statutory pre-emption rights		

Dated _____ 2007

Signature _____

Notes:

1. You may delete the words "chairman of the meeting" and insert the name of your own choice of proxy, who need not be a member of the Company. Please initial any such alteration.
2. In the absence of any instructions on the resolutions referred to above your proxy will vote or abstain as he or she thinks fit. Your proxy will also vote or abstain as he or she thinks fit on any other matter coming before the meeting. A proxy can only vote on a poll.

3. To be valid this proxy form must reach the Company's registrars, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA not less than 48 hours before the time fixed for the meeting. Completion of this proxy form does not prevent you from attending and voting in person.
4. In the case of joint registered holders, any joint holder may sign this proxy form, but the vote of the person whose name appears first in the register of members in respect of the holding or his proxy will be accepted to the exclusion of the votes of other joint holders or their proxies.
5. If this proxy form is executed under a power of attorney, the power of attorney or other authority (or a copy of it certified by a notary) must be lodged with the Company with the proxy form.