

**Report of the Directors and
Financial Statements
for the year ended 31st December 2009
for
Meriden Group PLC**

Meriden Group PLC

Contents of the Financial Statements for the year ended 31st December 2009

	Page
Company Information	1
Chairman's Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	10

Meriden Group PLC

**Company Information
for the year ended 31st December 2009**

DIRECTORS: R C Payne FCCA
S H Black

SECRETARY: R C Payne FCCA

REGISTERED OFFICE: Meriden Group PLC
St. George's Court
Winnington Avenue
Northwich
Cheshire
CW8 4EE

REGISTERED NUMBER: 04160983

AUDITORS: Cooper Taylor
The Dowery
22 Barker Street
Nantwich
Cheshire
CW5 5TE

Meriden Group PLC

**Chairman's Report
for the year ended 31st December 2009**

Introduction

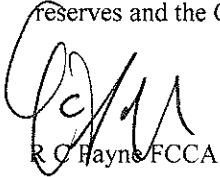
I am pleased to present my Chairman's report for Meriden Group plc for the year ended 31 December 2009.

Results

During the period the Company made pre-tax losses of £7,764 (2008 - loss of £43,433) representing a loss per share of 0.002 pence (2008 - loss of 0.01 pence).

Events during the year

During the period under review the Directors have considered opportunities that have arisen however none are currently under consideration by the Board. We continue to be particularly mindful of minimising costs in order to maintain cash reserves and the Company's largest shareholder, ECT, continues to be supportive.



R C Haynes FCCA

Meriden Group PLC

Report of the Directors for the year ended 31st December 2009

The directors present their report with the financial statements of the company for the year ended 31st December 2009.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an investing company.

REVIEW OF BUSINESS

The Company did not trade during the year under review. The Company incurred administrative expenses during the year of £7,772.

The Directors are unable to recommend the payment of a final dividend.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2009.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2009 to the date of this report.

R C Payne FCCA
S H Black

DIRECTORS INTERESTS

The membership of the Board and the interests of the directors and their families in the share of the Company as at 31 December 2008 (or date appointed if later) and at 31 December 2009 were as follows:

	Ordinary shares of 0.1p each	
	31 December 2009	31 December 2008
RC Payne	150,000	150,000
SH Black	-	-

RC Payne and SH Black received no remuneration for their services to the Company during the year.

PAYMENT TO SUPPLIERS

It is the Company's policy to agree to appropriate terms and conditions for its transactions with suppliers by means ranging from standard terms and conditions to individually negotiated contracts and pay suppliers according to agreed terms and conditions, provided that the supplier meets those terms and conditions. The Company does not have a standard or code that deals specifically with the payment of suppliers.

As the Company did not trade during the year, no disclosure of creditor days outstanding on trade purchases is possible.

Meriden Group PLC

**Report of the Directors
for the year ended 31st December 2009**

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 accounting estimates that are reasonable and prudent;
- state whether applicable 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 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.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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.

AUDITORS

The auditors, Cooper Taylor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
R C Payne FCCA - Director

Date: 14 May 2010

**Report of the Independent Auditors to the Members of
Meriden Group PLC**

We have audited the financial statements of Meriden Group PLC for the year ended 31st December 2009 on pages six to twelve. 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 a Report of the Auditors 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 explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 31st December 2009 and of its loss 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Philip Taylor (Senior Statutory Auditor)
for and on behalf of Cooper Taylor
The Dowery
22 Barker Street
Nantwich
Cheshire
CW5 5TE

Date: 14 May 2010

Meriden Group PLC

**Profit and Loss Account
for the year ended 31st December 2009**

	Notes	2009 £	2008 £
TURNOVER		-	-
Administrative expenses		<u>7,772</u>	<u>43,909</u>
OPERATING LOSS	3	(7,772)	(43,909)
Interest receivable and similar income		<u>8</u>	<u>476</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,764)	(43,433)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(7,764)</u>	<u>(43,433)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

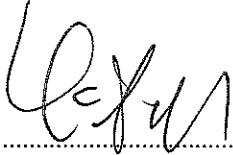
The company has no recognised gains or losses other than the losses for the current year or previous year.

Meriden Group PLC

Balance Sheet
31st December 2009

	Notes	2009 £	2008 £
CURRENT ASSETS			
Debtors	5	-	1,236
Cash at bank		<u>6,832</u>	<u>9,858</u>
		6,832	11,094
CREDITORS			
Amounts falling due within one year	6	<u>312,661</u>	<u>309,159</u>
NET CURRENT LIABILITIES		<u>(305,829)</u>	<u>(298,065)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>(305,829)</u></u>	<u><u>(298,065)</u></u>
CAPITAL AND RESERVES			
Called up share capital	7	345,000	345,000
Share premium	8	1,110,263	1,110,263
Profit and loss account	8	<u>(1,761,092)</u>	<u>(1,753,328)</u>
	10	<u><u>(305,829)</u></u>	<u><u>(298,065)</u></u>

The financial statements were approved by the Board of Directors on 14 May 2010 and were signed on its behalf by:



.....
R C Payne FCCA - Director

Meriden Group PLC

Cash Flow Statement
for the year ended 31st December 2009

	Notes	2009 £	2008 £
Net cash outflow from operating activities	1	(3,034)	(20,935)
Returns on investments and servicing of finance	2	<u>8</u>	<u>476</u>
Decrease in cash in the period		<u>(3,026)</u>	<u>(20,459)</u>

Reconciliation of net cash flow
to movement in net funds

	3		
Decrease in cash in the period		<u>(3,026)</u>	<u>(20,459)</u>
Change in net funds resulting from cash flows		<u>(3,026)</u>	<u>(20,459)</u>
Movement in net funds in the period		(3,026)	(20,459)
Net funds at 1st January		<u>9,858</u>	<u>30,317</u>
Net funds at 31st December		<u>6,832</u>	<u>9,858</u>

The notes form part of these financial statements

Meriden Group PLC

**Notes to the Cash Flow Statement
for the year ended 31st December 2009**

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2009	2008
	£	£
Operating loss	(7,772)	(43,909)
Decrease in debtors	1,236	1,126
Increase in creditors	<u>3,502</u>	<u>21,848</u>
Net cash outflow from operating activities	<u><u>(3,034)</u></u>	<u><u>(20,935)</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2009	2008
	£	£
Returns on investments and servicing of finance		
Interest received	<u>8</u>	<u>476</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>8</u></u>	<u><u>476</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.09	Cash flow	At
	£	£	31.12.09
			£
Net cash:			
Cash at bank	<u>9,858</u>	<u>(3,026)</u>	<u>6,832</u>
	<u>9,858</u>	<u>(3,026)</u>	<u>6,832</u>
Total	<u><u>9,858</u></u>	<u><u>(3,026)</u></u>	<u><u>6,832</u></u>

The notes form part of these financial statements

Meriden Group PLC

Notes to the Financial Statements for the year ended 31st December 2009

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Going concern

The financial statements are prepared on a going concern basis. The Directors have a reasonable expectation that the Company can continue in operational existence for the foreseeable future under the assumption that an acquisition can be sought and on the basis of the continued support of the Company's largest shareholder, European Commercial Trust Limited. For this reason, the Board continues to adopt the going concern basis in preparing the financial statements.

2. STAFF COSTS

There were no staff costs for the year ended 31st December 2009 nor for the year ended 31st December 2008.

The average monthly number of employees during the year was as follows:

	2009	2008
	<u>2</u>	<u>2</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	2009	2008
	£	£
Auditors' remuneration	<u>1,500</u>	<u>2,750</u>
Directors' remuneration	<u>-</u>	<u>-</u>

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2009 nor for the year ended 31st December 2008.

Meriden Group PLC

Notes to the Financial Statements - continued
for the year ended 31st December 2009

4. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2009 £	2008 £
Loss on ordinary activities before tax	<u>(7,764)</u>	<u>(43,433)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 28%)	(2,174)	(12,161)
Effects of: Tax losses	<u>2,174</u>	<u>12,161</u>
Current tax charge	<u>-</u>	<u>-</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
VAT	<u>-</u>	<u>1,236</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	4,417	4,417
Other creditors	261,111	256,359
Accruals & deferred income	<u>47,133</u>	<u>48,383</u>
	<u>312,661</u>	<u>309,159</u>

7. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised		
96,895,000,000 ordinary shares of 0.01p each	9,689,500	9,689,500
3,105,000,000 deferred shares of 0.01p each	<u>310,500</u>	<u>310,500</u>
	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid		
345,000,000 ordinary shares of 0.01p each	34,500	34,500
3,105,000,000 deferred shares of 0.01p each	<u>310,500</u>	<u>310,500</u>
	<u>345,000</u>	<u>345,000</u>

The deferred shares were created on the share capital reorganisation approved by shareholders on 8 June 2007. The deferred shares 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.

Meriden Group PLC

**Notes to the Financial Statements - continued
for the year ended 31st December 2009**

8. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1st January 2009	(1,753,328)	1,110,263	(643,065)
Deficit for the year	<u>(7,764)</u>	<u> </u>	<u>(7,764)</u>
At 31st December 2009	<u>(1,761,092)</u>	<u>1,110,263</u>	<u>(650,829)</u>

9. RELATED PARTY DISCLOSURES

The Company has received a loan of £260,563 (2008 - £255,810) from European Commercial Trust Limited, a significant shareholder in the Company. The increase in the loan during the year under review was used to provide working capital for the Company.

10. RECONCILIATION OF MOVEMENTS IN RESERVES

	2009 £	2008 £
Loss for the financial year	<u>(7,764)</u>	<u>(43,433)</u>
Net reduction of reserves	(7,764)	(43,433)
Opening reserves	<u>(298,065)</u>	<u>(254,632)</u>
Closing reserves	<u>(305,829)</u>	<u>(298,065)</u>

11. CONTROLLING PARTY

The Company is not under the control of a controlling party.