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Company Meriden Group PLC
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Meriden
Group Plc

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MERIDEN GROUP PLC

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

Meriden Group plc, the investing company, announces its final results for the year ended 31 December 2007.

Highlights

- Pre-tax losses of £207,427 (2006 - loss of £1,577,358)
- Loss per share of 0.06 pence (2006 – loss of 0.46 pence)
- Negotiations ongoing regarding an acquisition which, if consummated, would constitute a reverse takeover
- Directors do not recommend payment of a dividend

Enquiries

Rick Payne, Chairman Tel: 01606 721300

CHAIRMAN'S STATEMENT

Introduction

I am pleased to present my Chairman's report for Meriden Group plc for the year ended 31 December 2007.

Results

During the period the Company made pre-tax losses of £207,427 (2006 - loss of £1,577,358) representing a loss per share of 0.06 pence (2006 - loss of 0.46 pence)

Events during the year

On 16 August 2007, Russell Stevens resigned as a director in order to pursue other business interests. I and my fellow Director, Stephen Black, joined the board on that date and we would like to thank Russell for his contribution to the Company and wish him every success in the future.

On 9 June 2008 the Company announced that it was in detailed negotiations regarding an acquisition

which, if consummated, would constitute a reverse takeover under the AIM Rules. The acquisition would be subject to the approval of shareholders and the granting by the Takeover Panel of a waiver of the obligation on the Company to make a general offer under Rule 9 of the City Code on Takeovers and Mergers.

Since the Company had been unable to complete a reverse takeover prior to 9 June 2008, being 12 months after the Company became an investing company pursuant to the AIM Rules, trading in the Company's shares on AIM was suspended on that date. Restoration of trading will occur upon publication of the Company's circular and AIM admission document relating to the acquisition.

European Commercial Trust Limited, a substantial shareholder in the Company, has made funds available to the Company to enable the Company to continue the search for a suitable candidate for a reverse takeover.

R Payne

30 July 2008

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the period ended 31 December 2007.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, applied in accordance with the provisions of the Companies Act 1985 and present financial information on the Company only.

Principal activity

The principal activity of the Company is that of an investing company quoted on AIM.

Business review

The Company did not trade during the year under review. The Company incurred administrative expenses during the year of £207,550, of which £155,981 related to payments made to Russell Stevens as compensation for loss of office and in lieu of his notice period.

On 7 September 2007 the shareholders and creditors of the Company were informed that the Creditors Voluntary Arrangement ("CVA"), entered into on 11 December 2006, had been completed and that the Company had complied fully with the terms of the arrangement and any claims against it had been completely extinguished.

European Commercial Trust Limited, the Company's significant shareholder, has provided the Company with total funds of £253,430 during the year to cover administrative expenses.

The Directors will preserve the Company's existing cash resources while actively pursuing acquisition opportunities. To help this, European Commercial Trust Limited has made further funds available to the Company to continue the search for a suitable candidate.

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

Financial risk management

Despite its limited activities, the Company is exposed to a number of financial risks, which are outlined below. Risk management is carried out by the Directors.

Interest rate risk - the Company is exposed to the risk of interest rate fluctuations on cash reserves. However, with only limited cash reserves available, the Directors do not consider this area is a significant risk to the Company.

Liquidity risk - the Company's existing cash resources may not be sufficient to cover the costs of a potential transaction or to cover any working capital requirements of a new group. Accordingly it may be necessary for further funds to be raised before a transaction occurs.

Directors

The membership of the Board and the interests of the directors and their families in the shares of the

Company as at 31 December 2006 (or date appointed if later) and 31 December 2007 were as follows:

	Ordinary shares of 0.1p each	
	31 December 2007	31 December 2006
Richard Payne (appointed 16 August 2007)	150,000	-
Stephen Black (appointed 16 August 2007)	-	-
Russell Stevens (resigned 16 August 2007)	-	84,500,000

Richard Payne and Stephen Black received no remuneration for their services to the Company during the year.

Substantial shareholdings

The only interests in excess of 3 per cent of the issued share capital of the Company, which have been notified to the Company as at 12 June 2008, were as follows.

	Ordinary shares of 0.1p each	
	Number	Percentage
European Commercial Trust Limited	84,500,000	24.49%
Pershing Nominees Limited	33,274,206	9.64%
Raven Nominees Limited	26,005,889	7.54%
Barclayshare Nominees Limited	18,475,655	5.36%
TD Waterhouse Nominees (Europe) Limited	15,805,698	4.58%
Hoodless Brennan plc	11,725,406	3.40%
LR Nominees Limited	10,807,326	3.13%

Payment to suppliers

It is the Company's policy to agree 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.

Statement of Director' 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. In accordance with company law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. The financial statements are required to 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 year. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company to enable them to ensure the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

In the case of each person who was a director at the time this report was approved;

- so far as that director was aware, there was no relevant audit information of which the Company's auditors were unaware; and
- that director had 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 auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Auditors

A resolution to reappoint Charles Lovell & Co Limited as the Company's auditors will be put to the members at the Annual General Meeting.

Approval

This report was approved by the Board on 30 July 2008 and signed on its behalf by:

By order of the Board

S Black
Director
30 July 2008

INCOME STATEMENT

	Note	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Administrative expenses	- Continuing	(207,197)	(185,166)
	- Exceptional	(353)	(1,231,973)
Amounts written off investments		-	(167,953)
Operating loss	3	(207,550)	(1,585,092)
Finance income	4	123	7,741
Finance costs		-	(7)
Loss on ordinary activities before and after taxation and loss for the year	6	(207,427)	(1,577,358)
Loss per share –basic and diluted	7	(0.06)p	(0.46)p

There were no recognised gains or losses other than the loss or profit for the period.

Continuing operations

None of the Companies activities were acquired or discontinued during the current period.

STATEMENT OF CHANGES IN EQUITY

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 August 2005	345,000	1,049,155	74,890	1,469,045
Loss for the financial year			(1,577,358)	(1,577,358)
Refund of VAT on flotation costs		61,108		61,108
At 31 December 2006	345,000	1,110,263	(1,502,468)	(47,205)
Loss for the financial year			(207,427)	(207,427)
At 31 December 2007	345,000	1,110,263	(1,709,895)	(254,632)

BALANCE SHEET

	Note	31 December 2007 £	31 December 2006 £
ASSETS			
Non-current assets			
Investments	8	-	-
Current assets			
Trade and other receivables	9	2,362	1,164
Cash and cash equivalents	10	30,317	2,725
Total current assets		32,679	3,889
Total assets		32,679	3,889

EQUITY AND LIABILITIES

Capital and reserves attributable to the equity holders

Share capital	12	345,000	345,000
Share premium account		1,110,263	1,110,263
Retained losses		(1,709,895)	(1,502,468)
Total equity		(254,632)	(47,205)
Current liabilities			
Trade and other payables	11	287,311	51,094
Total equity and liabilities		32,679	3,889

CASH FLOW STATEMENT

	Note	31 December 2007 £	31 December 2006 £
Cash flows from operating activities			
Cash generated from operations	14	27,584	(31,639)
Finance income		123	7,741
Finance costs		-	(7)
Income tax paid			(14,250)

Net cash used in operating activities	27,707	(38,155)
Cash flows from financing activities		
Dividends paid	(115)	(20,410)
Refund of VAT on flotation costs	-	61,108
Net cash used in financing activities	(115)	40,698
Net increase/(decrease) in cash and cash equivalents	27,592	2,543
Cash and cash equivalents at the beginning of the year	2,725	182
Cash and cash equivalents at the end of the year	30,317	2,725

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

Going concern

The financial statements are presented 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 a reverse takeover opportunity 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.

Critical accounting estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size and incidence to enable a full understanding of the Company's financial performance. Transactions which may give rise to exceptional items are principally gains or losses on disposal of investments, subsidiaries and corporate restructurings.

Adoption of new standards

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"). The Company has applied IFRS from 1 January 2007 and has restated prior year comparatives to reflect its adoption. Consequently the Company has applied IFRS 1 to the opening balance sheet at 1 January 2007.

There is no difference in results or cash flows between UK GAAP and IFRS for the year ended 31 December 2007 or in net assets as at 1 January 2007 or 31 December 2007. Consequently, no reconciliation between UK GAAP and IFRS is included.

Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value to the current market value.

Deferred taxation

Deferred tax is provided in full using the balance sheet liability method. Deferred tax is the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the balance sheet. Deferred tax assets and liabilities are not recognised if they arise in the following situations: the initial recognition of goodwill; or the initial recognition of assets and liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that the future taxable profits will be available against which the asset can be utilised. The carrying amount of the deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

Exchange differences arising from the retranslation at year end exchange rates of the investment in foreign undertakings, less exchange differences on foreign currency borrowings which finance these undertakings are taken to reserves.

Financial instruments

Income and expenditure arising on financial instruments is recognised on the accruals basis, and credited or charged to the profit and loss account in the financial period to which it relates.

Accounting period

The comparative trading period runs from 1 August 2005 to 31 December 2006 and the current period runs from 1 January 2007 to 31 December 2007.

2 BUSINESS AND GEOGRAPHICAL SEGMENTS

The Directors consider that the Company has no separate business or geographical segments to report on.

3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities is stated after:

	2007	2006
	£	£
Auditors remuneration	3,500	5,000
Exceptional items relating to the CVA	2,362	1,231,973

4 FINANCE INCOME

	2007	2006
	£	£
Interest receivable	123	7,741

5 DIRECTORS AND EMPLOYEES

The average monthly numbers of employees (including the directors) during the year was as follows:

	2007 Number	2006 Number
Directors	2	1

The Company's staff costs for the year, including Directors' remuneration, were as follows

	2007 £	2006 £
Remuneration and other emoluments	63,125	70,750

The remuneration and other emoluments above represent payments made to Russell Stevens in the period prior to his resignation as director. In addition, payments totalling £155,981 were made to Russell Stevens upon his resignation as a director on 16 August 2007 as compensation for loss of office and in lieu of his notice period.

6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
UK corporation tax	-	-
Factors affecting tax charge for the period:		-
(Loss)/profit on ordinary activities before tax	(220,804)	(1,577,358)
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax of 30% (2006: 30%)	(66,241)	(473,207)
Effects of:		
Exceptional items – CVA creditor write downs	-	369,592
Investment impairment	-	50,386
Taxation losses to be utilised against prior periods and carried forward to future periods	66,241	53,229
	-	-

7 LOSS PER SHARE

The calculation of the basic loss per share is based on the loss on ordinary activities after tax and on the weighted average number of ordinary shares in issue during the year.

	Loss £	Weighted average number of shares	Basic loss per share pence
Basic and diluted loss per share			
Year ended 31 December 2007	(207,427)	345,000,000	(0.06)
Period ended 31 December 2006	(1,577,358)	345,000,000	(0.46)

8 INVESTMENTS

The investments in Bidtimes Plc and Meriden Holdings Limited which were written down to nil as at 31 December 2007 were disposed of in the year under the Creditors Voluntary Arrangement.

9 TRADE AND OTHER RECEIVABLES

	2007 £	2006 £
Prepayments and accrued income	1,134	1,085
Other debtors	1,228	79
	2,362	1,164

10 CASH AND CASH EQUIVALENTS

	2007 £	2006 £
Cash at bank and in hand	30,317	2,725

11 TRADE AND OTHER PAYABLES

	2007 £	2006 £
Trade creditors	6,591	529
Dividends	556	672
Other creditors	253,430	30,000
Accruals and deferred income	26,734	19,893
	287,311	51,094

12 SHARE CAPITAL

	2007 £	2006 £
Authorised		
96,895,000,000 ordinary shares of 0.01p each	9,689,500	
3,105,000,000 deferred shares of 0.01p each	310,500	
(2006: 2,000,000,000 ordinary shares of 0.1p each)		2,000,000
	10,000,000	2,000,000
Allotted, called up and fully paid		
345,000,000 ordinary shares of 0.01p each	34,500	
3,105,000,000 deferred shares of 0.01p each	310,500	
(2006: 345,000,000 ordinary shares of 0.1p each)		345,000
	345,000	345,000

On 8 June 2007 the authorised share capital of the Company was increased to £10,000,000 by the creation of 8,000,000,000 new ordinary shares of 0.1p each.

The deferred shares were created on the share capital reorganisation approved by shareholders on 8 June 2007. The effect of the share capital reorganisation was to sub-divide and re-classify each existing ordinary share into one new ordinary share of 0.01 pence and nine deferred shares of 0.01 pence.

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.

13 FINANCIAL INSTRUMENTS

The Company uses financial instruments comprising cash and short term deposits. It does not enter into derivative transactions such as interest rate swaps, forward rate agreements or forward currency contracts. The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The Company has assets and liabilities in Pounds Sterling.

The Company policy throughout the year has been to ensure continuity of funding with all cash deposits being recoverable on demand.

Cash and short term deposits at 31 December 2007 totalled £30,302 (2006: £2,725) and yield interest at LIBOR.

The fair values of financial assets and liabilities are not materially different from their book values.

14 RECONCILIATION OF OPERATING PROFIT WITH NET CASH FLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating loss	(207,550)	(1,417,139)
Decrease/(increase) in debtors	(1,198)	1,384,693
Increase in creditors	236,332	807
Net cash inflow/(outflow) from operating activities	27,584	(31,639)

15 RELATED PARTY TRANSACTIONS

The Directors are the persons who have authority for planning, controlling and directing the activities of the Company. Information regarding their compensation is given below:

	2007 £	2006 £
Short term benefits		
Richard Payne		-
Stephen Black		-
Russell Stevens	63,125	59,500
Derek Hall	-	11,250
		70,750
Compensation for loss of office		
Russell Stevens	120,731	-
		70,750

The Company has received a loan of £253,430 (2006 - £nil) from European Commercial Trust Limited, a significant shareholder in the Company. This loan was used to provide working capital for the Company and to compensate Mr Stevens for his loss of office.

16 STATUTORY INFORMATION

The financial information set out above does not constitute the Company's statutory financial statements for the years ended 31 December 2007 and 31 December 2006 but is derived from those financial statements. Statutory financial statements for 2006 have been delivered to the Registrar of companies and those for 2007 will be delivered in due course. The auditors have reported on those financial statements; their reports were (i) unqualified, (ii) included a reference by way of emphasis to note 1 of the financial statements concerning the Company's ability to operate as a going concern without qualifying their report and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

17 AVAILABILITY OF THE REPORT AND ACCOUNTS

Copies of the Report and Accounts for the year ended 31 December 2007 will be distributed to shareholders shortly and will be available to download from www.meriden-group.co.uk.

This information is provided by RNS
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Close

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