

**Report of the Directors and
Financial Statements
for the year ended 31st December 2008
for
Meriden Group PLC**

Meriden Group PLC

Contents of the Financial Statements for the year ended 31st December 2008

	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
Profit and Loss Account	13

Meriden Group PLC
Company Information
for the year ended 31st December 2008

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: Charles Lovell & Co Limited
Royal House
Market Place
Redditch
Worcestershire
B98 8AA

Meriden Group PLC
Chairman's Report
for the year ended 31st December 2008

Introduction

I am pleased to present my Chairman's report for Meriden Group plc for the year ended 31 December 2008.

Results

During the period the Company made pre-tax losses of £43,433 (2007 - loss of £207,427) representing a loss per share of 0.01 pence (2007 - loss of 0.06 pence).

Events during the year

On 9 December 2008, Meriden Group plc announced that the Company's trading facility on the AIM Market of the London Stock Exchange ('AIM') would be cancelled.

The Company's shares had been suspended from trading on AIM for a period of six months since June 2008. During this period, the Directors evaluated a number of opportunities and had been in detailed negotiations in relation to certain potential acquisitions. However, none of the discussions led to acquisition opportunities on terms which the Directors have considered to be in the best interest of its shareholders.

After careful consideration, the Directors have concluded that the interests of the Company and its shareholders will be best served if the Company continues as an unquoted company in the immediate term. It is not proposed that the Company be re-registered as a private company and the Directors will consider the alternatives to restore liquidity in the Company's shares in due course. Any further announcements will be made via the Company's website at www.meriden-group.co.uk.

RC Payne

Meriden Group PLC

Report of the Directors for the year ended 31st December 2008

The directors present their report with the financial statements of the company for the year ended 31st December 2008.

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 £43,909.

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

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2008.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2008 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 2007 (or date appointed if later) and at 31 December 2008 were as follows:

	Ordinary shares of 0.1p each	
	31 December 2008	31 December 2007
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.

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). The financial statements are required by law 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 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;
- 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.

Meriden Group PLC

**Report of the Directors
for the year ended 31st December 2008**

The directors are responsible for keeping proper accounting records which disclose 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 1985. 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.

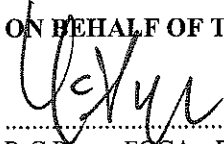
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) 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, Charles Lovell & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
R C Payne FCCA - Director

Date: 20 July 2009

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 2008 on pages six to twelve. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out on page three.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors and the Chairman's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Emphasis of matter – Going Concern

In forming our opinion we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the Company's ability to operate as a going concern, in view of the significance of this we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Charles Lovell & Co Limited

Charles Lovell & Co Limited
Royal House
Market Place
Redditch
Worcestershire
B98 8AA

Date: 20 July 2009

Meriden Group PLC

Profit and Loss Account
for the year ended 31st December 2008

	Notes	2008 £	2007 £
TURNOVER		-	-
Administrative expenses		<u>43,909</u>	<u>207,550</u>
OPERATING LOSS	3	(43,909)	(207,550)
Interest receivable and similar income		<u>476</u>	<u>123</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(43,433)	(207,427)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(43,433)</u>	<u>(207,427)</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 2008**

	Notes	2008 £	2007 £
CURRENT ASSETS			
Debtors	5	1,236	1,228
Prepayments and accrued income		-	1,134
Cash at bank		<u>9,858</u>	<u>30,317</u>
		11,094	32,679
CREDITORS			
Amounts falling due within one year	6	<u>309,159</u>	<u>287,311</u>
NET CURRENT LIABILITIES		<u>(298,065)</u>	<u>(254,632)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(298,065)</u>	<u>(254,632)</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>(1,753,328)</u>	<u>(1,709,895)</u>
	10	<u>(298,065)</u>	<u>(254,632)</u>

The financial statements were approved by the Board of Directors on its behalf by:

20 July 2009 and were signed on



.....
R C Payne FCCA - Director

Meriden Group PLC

Cash Flow Statement
for the year ended 31st December 2008

	Notes	2008 £	2007 £
Net cash (outflow)/inflow from operating activities	1	(20,935)	27,584
Returns on investments and servicing of finance	2	476	123
Equity dividends paid		<u>-</u>	<u>(115)</u>
(Decrease)/Increase in cash in the period		<u>(20,459)</u>	<u>27,592</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		<u>(20,459)</u>	<u>27,592</u>
Change in net funds resulting from cash flows		<u>(20,459)</u>	<u>27,592</u>
Movement in net funds in the period		<u>(20,459)</u>	<u>27,592</u>
Net funds at 1st January		<u>30,317</u>	<u>2,725</u>
Net funds at 31st December		<u>9,858</u>	<u>30,317</u>

The notes form part of these financial statements

Meriden Group PLC

**Notes to the Cash Flow Statement
for the year ended 31st December 2008**

1. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2008	2007
	£	£
Operating loss	(43,909)	(207,550)
Decrease/(Increase) in debtors	1,126	(1,198)
Increase in creditors	<u>21,848</u>	<u>236,332</u>
Net cash (outflow)/inflow from operating activities	<u><u>(20,935)</u></u>	<u><u>27,584</u></u>

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

	2008	2007
	£	£
Returns on investments and servicing of finance		
Interest received	<u>476</u>	<u>123</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>476</u></u>	<u><u>123</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.08	Cash flow	At
	£	£	31.12.08
			£
Net cash:			
Cash at bank	<u>30,317</u>	<u>(20,459)</u>	<u>9,858</u>
	<u>30,317</u>	<u>(20,459)</u>	<u>9,858</u>
Total	<u><u>30,317</u></u>	<u><u>(20,459)</u></u>	<u><u>9,858</u></u>

Meriden Group PLC

Notes to the Financial Statements for the year ended 31st December 2008

1. ACCOUNTING POLICIES

Accounting convention

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

Changes in accounting policies

The financial statements have been prepared in accordance with UK GAAP. The Company has applied UK GAAP from 1 January 2008 and has restated prior year comparatives to reflect its adoption. There is no difference in results or cashflows between UK GAAP and International Financial Reporting Standards as adopted by the EU ("IFRS") for the year ended 31 December 2008 or in net assets as at 1 January 2008 or 31 December 2008. Consequently no reconciliation between UK GAAP and IFRS is included.

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

	2008	2007
	£	£
Wages and salaries	<u>-</u>	<u>165,875</u>

The average monthly number of employees (including the Directors) during the year was as follows:

2008	2007
<u>2</u>	<u>2</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	2008	2007
	£	£
Auditors' remuneration	<u>2,750</u>	<u>3,500</u>
Directors' emoluments	-	63,125
Compensation to director for loss of office	<u>-</u>	<u>102,750</u>

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2008 nor for the year ended 31st December 2007.

Meriden Group PLC

Notes to the Financial Statements - continued
for the year ended 31st December 2008

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:

	2008 £	2007 £
Loss on ordinary activities before tax	<u>(43,433)</u>	<u>(207,427)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2007 - 30%)	(12,161)	(62,228)
Effects of: Tax losses	<u>12,161</u>	<u>62,228</u>
Current tax charge	<u>-</u>	<u>-</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
VAT	<u>1,236</u>	<u>1,228</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade creditors	4,417	6,591
Other creditors	256,359	253,987
Accruals & deferred income	<u>48,383</u>	<u>26,733</u>
	<u>309,159</u>	<u>287,311</u>

7. CALLED UP SHARE CAPITAL

	2008 £	2007 £
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 2008**

8. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1st January 2008	(1,709,895)	1,110,263	(599,632)
Deficit for the year	<u>(43,433)</u>	<u> </u>	<u>(43,433)</u>
At 31st December 2008	<u>(1,753,328)</u>	<u>1,110,263</u>	<u>(643,065)</u>

9. RELATED PARTY DISCLOSURES

The Company has received a loan of £255,810 (2007 - £253,430) 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

	2008 £	2007 £
Loss for the financial year	<u>(43,433)</u>	<u>(207,427)</u>
Net reduction of reserves	(43,433)	(207,427)
Opening reserves	<u>(254,632)</u>	<u>(47,205)</u>
Closing reserves	<u>(298,065)</u>	<u>(254,632)</u>

11. CONTROLLING PARTY

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

Meriden Group PLC
Profit and Loss Account
for the year ended 31st December 2008

	2008		2007	
	£	£	£	£
Income		-		-
Other income				
Deposit account interest		<u>476</u>		<u>123</u>
		476		123
Expenditure				
Directors' fees	-		63,125	
Directors' compensation for loss of office	-		102,750	
Post & stationery	-		2,320	
Sundry expenses	30,354		25,788	
Accountancy	10,800		1,850	
Legal fees	-		7,725	
Auditors' remuneration	2,750		3,500	
Exceptional items	<u>-</u>		<u>353</u>	
		<u>43,904</u>		<u>207,411</u>
		(43,428)		(207,288)
Finance costs				
Bank charges		<u>5</u>		<u>139</u>
NET LOSS		<u>(43,433)</u>		<u>(207,427)</u>

This page does not form part of the statutory financial statements