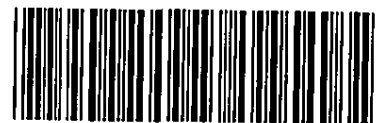


JULIUS A MELLER MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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JULIUS A MELLER MANAGEMENT SERVICES LIMITED

COMPANY INFORMATION

Directors

M J Meller
D R Meller
J N Curtis FCA
J C McGrath ACMA

Secretary

J C McGrath ACMA

Company Number

2518921

Registered Office

Unit H
Bedford Business Park
Mile Road
Bedford
MK42 9TW

Auditors

Milton Avis
Chartered Accountants
Registered Auditors
Wellington Building
28-32 Wellington Road
St John's Wood
London NW8 9SP

Bank

Lloyds Bank
25 Gresham Street
London
EC2V 7HN

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

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JULIUS A MELLER MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activities and review of the business

The principle activity of the company continued to be that of the provision of management services, which it re-charges to other group companies

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend the payment of an ordinary dividend (2007: £nil).

Directors

The following directors have held office since 1 January 2008:

M J Meller
D R Meller
J N Curtis FCA
J C McGrath ACMA

Directors' interests

There are no directors' interests requiring disclosure under the Companies Act 1985. Their interests in the parent undertaking are disclosed in that company's financial statements.

Statement of disclosure to auditors

So far as the directors in office at 31 December 2008 are aware, there is no relevant audit information of which the auditors are unaware and they have individually taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

Auditors

Milton Avis, Chartered Accountants have expressed their willingness to continue in the office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

Directors' responsibilities for the preparation of financial statements

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 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 requirements of 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.

On behalf of the board



**J N Curtis FCA
Director**

J N May 2009

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JULIUS A MELLER MANAGEMENT SERVICES LIMITED

We have audited the financial statements of Julius A Meller Management Services Limited for the year ended 31 December 2008 on pages 4 to 14. These financial statements have been prepared under the historical cost convention and 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 an auditor's 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 described in the statement of directors' responsibilities on page 2 the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards for 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 report to you whether, in our opinion, the directors' report is consistent with the financial statements. We also 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 transactions is not disclosed.

We read the other information contained within the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards for Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an 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 affairs of the company as at 31 December 2008 and of the company's profit for the year then ended;
- are consistent with the information given in the directors' report;
- and have been properly prepared in accordance with the Companies Act 1985.



Milton Avis
Chartered Accountants
Registered Auditors

29 MAY 2009
Wellington Building
28 - 32 Wellington Road, St John's Wood
London, NW8 9SP

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Turnover	2	1,951,800	2,372,000
Administrative expenses	3	(1,509,760)	(1,488,300)
Operating profit	3	442,040	883,700
(Loss) from partnership		-	(92,702)
Interest payable and similar charges	4	(257,354)	(75,172)
Interest receivable and similar income		-	102,294
Profit on ordinary activities before taxation		184,686	818,120
Tax on profit on ordinary activities	5	(51,996)	(86,982)
Profit on ordinary activities after taxation	13	132,690	731,138

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

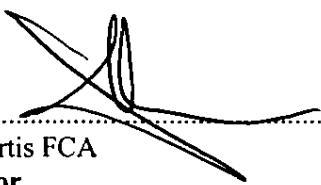
The notes on pages 6 to 14 form part of these financial statements.

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	6		1,399		654
Investments	7		-		63,879
			<u>1,399</u>		<u>64,533</u>
Current assets					
Debtors	8	6,938,463		3,862,118	
Cash at bank and in hand		-		138,864	
		<u>6,938,463</u>		<u>4,000,982</u>	
Creditors: amounts falling due within one year	9	(4,256,295)		(1,246,318)	
Net current assets			2,682,168		2,754,664
Total assets less current liabilities			<u>2,683,567</u>		<u>2,819,197</u>
Creditors: amounts falling due after more than one year	10		(1,000,000)		(1,268,320)
			<u>1,683,567</u>		<u>1,550,877</u>
Capital and reserves					
Called up share capital	12		1,000		1,000
Profit and loss account	13		1,682,567		1,549,877
Shareholders' funds – equity interests	14		<u>1,683,567</u>		<u>1,550,877</u>

The financial statements were approved by the Board on 29th May 2009


J N Curtis FCA
Director

The notes on pages 6 to 14 form part of these financial statements.

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. Accounting policies

1.1. Basis of Accounting

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

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2. Turnover

Turnover represents the invoiced value of services provided to customers net of VAT and trade discounts.

1.3. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	33% per annum straight line basis
--------------------------------	-----------------------------------

1.4. Leasing and hire purchase commitments

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

1.5. Pensions

The company operates a defined contribution scheme covering the majority of its permanent employees. Pension costs charged against profit, represent the amount payable to the scheme in respect of the period.

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies (continued)

1.6. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that 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 profit and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax is recognised in the statement of total recognised gains and losses on revaluations where at the balance sheet date there is an agreement to sell the asset.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3. Operating profit

	2008	2007
	£	£
Operating profit is stated after charging / (crediting):		
Profit on disposal of assets	-	(19,750)
Depreciation of tangible assets	442	442
Auditors' remuneration	12,873	-
Directors' remuneration	1,060,852	1,009,165
	<u> </u>	<u> </u>

4. Interest payable

	2008	2007
	£	£
Other interest	257,354	75,172
	<u> </u>	<u> </u>

JULIUS A MELLER MANAGEMENT SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008**

5. Taxation	2008 £	2007 £
Domestic current tax year U.K. corporation tax	51,996	65,356
Deferred tax	-	21,626
Deferred tax charge	<u>51,996</u>	<u>86,982</u>
Factors affecting the tax charge for the period profit on ordinary activities before taxation	<u>184,686</u>	<u>818,120</u>
Profit on ordinary activities before taxation Multiplied by standard rate of UK corporation tax of 28.5% (2007: 30%)	<u>52,636</u>	<u>245,436</u>
Effects of:		
Non deductible expenses	1,488	2,472
Depreciation add back	126	133
Capital allowances	(117)	(7,423)
Disposals of assets	-	(5,925)
Group relief	-	(169,337)
Marginal tax relief	(2,137)	-
	<u>(640)</u>	<u>(180,080)</u>
Current tax charge	<u>51,996</u>	<u>65,356</u>

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008**

6. Tangible fixed assets

	Fixtures, fittings & equipment £	Total £
Cost or valuation		
At 1 January 2008	2,716	2,716
Additions	1,187	1,187
At 31 December 2008	<u>3,903</u>	<u>3,903</u>
Depreciation		
At 1 January 2008	2,062	2,062
Charge for the year	442	442
At 31 December 2008	<u>2,504</u>	<u>2,504</u>
Net book value		
At 31 December 2008	<u>1,399</u>	<u>1,399</u>
At 31 December 2007	<u>654</u>	<u>654</u>

7. Fixed asset investment

Unlisted investment

	2008 £	2007 £
<u>Cost</u>		
At 1 January 2008	63,879	306,581
(Reductions)	(63,879)	(242,702)
At 31 December 2008	<u>-</u>	<u>63,879</u>

The company has a 50% investment in Techno Direct LLP. The company did not trade in the year and paid out all its distributable funds to shareholders.

JULIUS A MELLER MANAGEMENT SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008**

8.	Debtors	2008	2007
		£	£
	Amounts owed by parent and fellow subsidiary undertakings	6,674,768	3,782,822
	Corporation tax	6,651	9,703
	Other debtors	257,044	63,534
	Prepayments and accrued income	-	6,059
		<u>6,938,463</u>	<u>3,862,118</u>
9.	Creditors: amounts falling due within one year	2008	2007
		£	£
	Bank loans and overdrafts	90,371	-
	Amounts owed to subsidiary undertakings	3,371,559	-
	Corporation tax	51,996	65,356
	Other taxes and social security costs	53,075	501,365
	Other creditors	566,209	590,648
	Accruals and deferred income	123,085	88,949
		<u>4,256,295</u>	<u>1,246,318</u>

Bank overdrafts amounting to £90,371 (2007: nil) are guaranteed by the Group and other companies under common ownership and control as part of group banking arrangement and are secured by fixed and floating charge over the company's assets.

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

10. Creditors: amounts falling due after more than one year	2008 £	2007 £
Other loans	1,000,000	1,268,320
Analysis of loans		
Wholly repayable within five years	1,518,135	1,560,239
Included in current liabilities	518,135	291,919
	1,000,000	1,268,320
Loan maturity analysis		
In more than one year but not more than two years	-	268,320
In more than two years but not more than five years	1,000,000	1,000,000

Other loans represent two loans from the company's self-administered pension scheme. The first loan bears interest at 5% per annum above bank base rate and is repayable by instalments over a 10 year to March 2010. The second loan is secured by a debenture, constituting a fixed charge over the company's investment property and a floating charge over the remainder of the Company's assets. The loan bears an interest at a rate of 2.5% per annum above bank base rate and is repayable by instalments over a 7 year to December 2011.

Interest paid on the pension loans in the year ended 31 December 2008 amounted to £45,237 (2007: £75,172).

The loan from directors is payable in full after 2008. Interest paid in the year ended 31 December 2008 amounted to £191,119 (to 31 December 2007: nil)

11. Pension costs

Defined contribution

	2008 £	2007 £
Contributions payable by the company for the period	29,412	29,411

JULIUS A MELLER MANAGEMENT SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008**

12. Share capital	2008	2007
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
13. Statement of movements on reserves	2008	2007
	£	£
Opening balance	1,549,877	818,739
Profit for the year	132,690	731,138
Closing balance	1,682,567	1,549,877
14. Reconciliation of movements in shareholders' funds	2008	2007
	£	£
Opening shareholders funds	1,550,877	819,739
Profit for the financial year	132,690	731,138
Closing shareholders' funds	1,683,567	1,550,877

15. Contingent liabilities

The company has guaranteed the borrowing of its parent company and fellow subsidiaries as part of group banking arrangements. The borrowings are secured by a fixed and floating charge over the assets of the companies involved. At 31 December 2008 the contingent liability in respect of this guarantee was £2,790,761 (2007: £1,656,295).

The company is included in a group registration for VAT purposes with its parent company and fellow subsidiaries. All members of the VAT group are jointly and severally liable for the total amount of VAT due, and at 31 December 2008 the contingent liability in respect of this registration was £2,447,139 (2007: £2,290,780).

JULIUS A MELLER MANAGEMENT SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 2008**

16. Directors' emoluments	2008	2007
	£	£
Emoluments for qualifying services	1,060,852	979,754
Company pension contributions to money purchase schemes	29,412	29,411
	<u>1,090,264</u>	<u>1,009,165</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2007 – 3).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	323,295	309,309
Company pension contributions to money purchase schemes	29,412	29,411
	<u> </u>	<u> </u>

17. Employees**Number of employees**

The average monthly number of employees (including directors) during the year was:

2008	2007
Number	Number
4	4
<u> </u>	<u> </u>

Employment costs

	£	£
Wages and salaries	1,084,711	1,040,978
Social security costs	152,620	148,619
Other pension costs	29,412	29,411
	<u>1,266,743</u>	<u>1,219,008</u>

18. Control

The company's ultimate parent company is Meller Group Limited

Copies of the group financial statements of the above company are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008**

19. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.