

Company Registration No. 2518921

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009



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
Statutory 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 2009

The directors present their report and financial statements for the year ended 31 December 2009
The company registration number is 2518921

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. The company's directors consider the company's financial position and the business performance to be satisfactory. The company has kept close control over costs and the directors will continue to monitor cost levels to ensure an adequate return is achieved in the current economic climate.

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 (2008 £nil).

Directors

The following directors have held office since 1 January 2009

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 2006. 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 2009 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 directors 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 2009

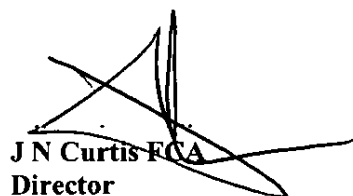
Directors' responsibilities for the preparation of financial statements

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 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.

On behalf of the board



J N Curtis FCA
Director

14 SEPTEMBER 2010

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

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

We have audited the financial statement of Julius A Meller Management Services Limited for the year ended 31 December 2009 on pages 4 to 14. The financial information 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 an auditors 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 explained more fully in the Statement of Directors' Responsibilities on page 2, 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 the applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (ASB's) Ethical Standards for Auditors.

Scope of the Audit

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 the Financial Statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of the company's profit 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.

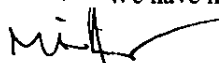
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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 company 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.



GM Avis – Senior Statutory Auditor
For and on behalf of Milton Avis
Chartered Accountants- Statutory Auditors
Wellington Building
28 – 32 Wellington Road, St John's Wood
London, NW8 9SP

14 SEPTEMBER 2010

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Turnover	2	3,551,800	1,951,800
Administrative expenses	3	(3,142,932)	(1,509,760)
Operating profit	3	<u>408,868</u>	<u>442,040</u>
(Loss) from partnership		-	-
Interest payable and similar charges	4	<u>(5,734)</u>	<u>(257,354)</u>
Profit on ordinary activities before taxation		403,134	184,686
Tax on profit on ordinary activities	5	<u>(119,262)</u>	<u>(51,996)</u>
Profit on ordinary activities after taxation	13	<u><u>283,872</u></u>	<u><u>132,690</u></u>

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

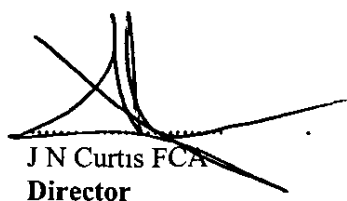
The notes on pages 6 to 14 form part of these financial statements

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	£	2009 £	£	2008 £
Fixed assets					
Tangible assets	6		957		1,399
			<u>957</u>		<u>1,399</u>
Current assets					
Debtors	8	7,379,976		6,938,463	
Cash at bank and in hand		36,286		-	
		<u>7,416,262</u>		<u>6,938,463</u>	
Creditors: amounts falling due within one year	9	(4,449,780)		(4,256,295)	
		<u></u>		<u></u>	
Net current assets			2,966,482		2,682,168
Total assets less current liabilities			<u>2,967,439</u>		<u>2,683,567</u>
Creditors: amounts falling due after more than one year	10		(1,000,000)		(1,000,000)
			<u>1,967,439</u>		<u>1,683,567</u>
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	12		1,000		1,000
Profit and loss account	13		1,966,439		1,682,567
Shareholders' funds – equity interests	14		<u>1,967,439</u>		<u>1,683,567</u>
			<u></u>		<u></u>

The financial statements were approved by the Board on 14 SEPTEMBER 2010


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 2009

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
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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 pension 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 2009

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	2009 £	2008 £
Operating profit is stated after charging		
Depreciation of tangible assets	442	442
Auditors' remuneration	6,460	12,873
Directors' remuneration	2,512,038	1,060,852
	<u> </u>	<u> </u>

4 Interest payable	2009 £	2008 £
Other interest	5,734	257,354
	<u> </u>	<u> </u>

JULIUS A MELLER MANAGEMENT SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

5	Taxation	2009 £	2008 £
	Domestic current tax year U K corporation tax at 28% (2008 -28.5%)	119,262	51,996
	Deferred tax	-	-
	Deferred tax charge	<u>119,262</u>	<u>51,996</u>
	Factors affecting the tax charge for the period profit on ordinary activities before taxation	<u>411,314</u>	<u>184,686</u>
	Profit on ordinary activities before taxation Multiplied by standard rate of UK corporation tax of 28% (2008 28.5%)	<u>115,168</u>	<u>52,636</u>
	Effects of Non deductible expenses	4,055	1,488
	Depreciation add back	124	126
	Capital allowances	(85)	(117)
	Marginal tax relief	-	(2,137)
		<u>4,094</u>	<u>(640)</u>
	Current tax charge	<u>119,262</u>	<u>51,996</u>

JULIUS A MELLER MANAGEMENT SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009****6. Tangible fixed assets**

	Fixtures, fittings & equipment £	Total £
Cost or valuation		
At 1 January 2009	3,903	3,903
Additions	-	-
At 31 December 2009	<u>3,903</u>	<u>3,903</u>
Depreciation		
At 1 January 2009	2,504	2,504
Charge for the year	442	442
At 31 December 2009	<u>2,946</u>	<u>2,946</u>
Net book value		
At 31 December 2009	957	957
At 31 December 2008	<u>1,399</u>	<u>1,399</u>

7 Fixed asset investment
Unlisted investment

	2009 £	2008 £
<u>Cost</u>		
At 1 January 2009	-	63,879
(Reductions)	-	(63,879)
At 31 December 2009	<u>-</u>	<u>-</u>

The company held a 50% investment in Techno Direct LLP. The company paid out all its distributable funds to shareholders and has now been wound up.

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

8	Debtors	2009	2008
		£	£
	Amounts owed by parent and fellow subsidiary undertakings	7,202,363	6,674,768
	Corporation tax	6,651	6,651
	Other debtors	170,962	257,044
		<u>7,379,976</u>	<u>6,938,463</u>

9	Creditors: amounts falling due within one year	2009	2008
		£	£
	Bank loans and overdrafts	-	90,371
	Amounts owed to subsidiary undertakings	2,242,726	3,371,559
	Corporation tax	119,262	51,996
	Other taxes and social security costs	60,305	53,075
	Other creditors	284,433	566,209
	Accruals and deferred income	1,743,054	123,085
		<u>4,449,780</u>	<u>4,256,295</u>

Bank overdrafts amounting to £ nil (2008 £90,371) 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 2009

10. Creditors: amounts falling due after more than one year	2009 £	2008 £
Other loans	1,000,000	1,000,000
Analysis of loans		
Wholly repayable within five years	1,277,806	1,518,135
Included in current liabilities	277,806	518,135
	1,000,000	1,000,000
Loan maturity analysis		
In more than one year but not more than two years	-	-
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 2009 amounted to £9,671 (2008 £45,237).

The loan from directors is payable in full after 2009. Interest paid in the year ended 31 December 2009 amounted to £31,875 (to 31 December 2008 £191,119).

Included in the figure of £5,734 for interest paid in 2009 is a credit of £35,812 in respect of an over accrual for interest payable in 2008.

11. Pension costs

Defined contribution

	2009 £	2008 £
Contributions payable by the company for the period	(2,649)	29,412

Included in the figure of £(2,649) for 2009 is a credit of £17,942 in respect of an over accrual for contributions payable in 2008.

JULIUS A MELLER MANAGEMENT SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

12. Share capital	2009	2008
	£	£
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	2009	2008
	£	£
Opening balance	1,682,567	1,549,877
Profit for the year	283,872	132,690
Closing balance	1,966,439	1,682,567
14. Reconciliation of movements in shareholders' funds	2009	2008
	£	£
Opening shareholders funds	1,683,567	1,550,877
Profit for the financial year	283,872	132,690
Closing shareholders' funds	1,967,439	1,683,567

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 2009 the contingent liability in respect of this guarantee was £3,070,551 (2008 £2,790,761)

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 2009 the contingent liability in respect of this registration was £2,434,136 (2008 £2,447,139)

JULIUS A MELLER MANAGEMENT SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 2009**

16. Directors' emoluments	2009	2008
	£	£
Emoluments for qualifying services	2,512,038	1,060,852
Company pension contributions to money purchase schemes	(2,649)	29,412
	<u>2,509,389</u>	<u>1,090,264</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2008 – 3)

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

Emoluments for qualifying services	833,705	323,295
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17. Employees**Number of employees**

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

2009	2008
Number	Number
5	4

Employment costs

	£	£
Wages and salaries	2,558,717	1,084,711
Social security costs	391,867	152,620
Other pension costs	(2,649)	29,412
	<u>2,947,935</u>	<u>1,266,743</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, Maundy, Cardiff, CF14 3UZ

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

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