

01799773

MELLHAM LIMITED

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2008

TUESDAY



ARAQRDV0

06/10/2009

A48

COMPANIES HOUSE

147

MELLHAM LIMITED

CONTENTS

	Page
DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	2
INDEPENDENT AUDITORS' REPORT	3 - 4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 11

MELLHAM LIMITED

COMPANY INFORMATION

Directors	Mr A Puri Mr R Mochor
Secretary	M M Secretariat Limited
Company Number:	1799773
Registered Office	Environment House 6 Union Road Nottingham NG3 1FH
Auditors	PKF (UK) LLP Regent House Clinton Avenue Nottingham NG5 1AZ

MELLHAM LIMITED

DIRECTORS' REPORT YEAR ENDED 31 DECEMBER 2008

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

Results and dividends

The profit for the year, after taxation, amounted to £818 (2007: loss £2,663,323)

Principal activity and review of the business

The company trades as an intermediate holding company.

Directors

The directors who served during the year were:

Mr A Puri
Mr R Mochor

Provision of information to auditors

So far as the directors are aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

As referred to in previous years' financial statements, the company received an estimated assessment from HM Revenue and Customs (HMRC) assessing additional corporation tax of £10.4 million for the year ended 31 December 1998. The assessment was based on an estimated chargeable gain of £33.5 million arising on the sale of the company's investment in Melham Holdings Limited Inc. to Purico (IOM) Limited in September 1998.

In the prior year the company reached an agreement with HMRC to pay a sum of £2.4 million over a five year period in full and final settlement of the claim. The amount payable under the settlement agreement was recognised in the 2007 financial statements.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The report was approved by the board on 29 September 2009 and signed on its behalf.

By order of the Board


MM Secretariat Limited
Secretary

MELLHAM LIMITED

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 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 judgments and estimates that are reasonable and prudent;
- * 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MELLHAM LIMITED

We have audited the financial statements of Mellham Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. The 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 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of directors' responsibilities.

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 have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report 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 the law regarding directors' remuneration and other transactions is not disclosed.

We read 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 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 judgments 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MELLHAM LIMITED
(CONTINUED)**

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 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the directors' report is consistent with the financial statements.



PKF (UK) LLP
Registered Auditors
Nottingham, UK

30 SEPTEMBER 2009

MELLHAM LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Administrative expenses		(2,756)	(163,654)
Other operating income - exceptional		-	1,854
Administrative expenses - exceptional		-	(113,541)
		<hr/>	<hr/>
OPERATING LOSS	2	(2,756)	(275,341)
Interest receivable and similar income		3,810	12,018
Interest payable		(236)	-
		<hr/>	<hr/>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		818	(263,323)
Taxation on profit/(loss) on ordinary activities	3	-	(2,400,000)
		<hr/>	<hr/>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		818	(2,663,323)
		<hr/>	<hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the profit and loss account.

The notes on pages 7 - 11 form part of these financial statements.

MELLHAM LIMITED

BALANCE SHEET 31 DECEMBER 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Investments	4	200,000	200,000
		<u>200,000</u>	<u>200,000</u>
CURRENT ASSETS			
Debtors	5	3,386,093	3,516,768
Cash at bank and in hand		18,844	251,117
		<u>3,404,937</u>	<u>3,767,885</u>
CREDITORS: amounts falling due within one year	6	(478,950)	(442,716)
NET CURRENT ASSETS		<u>2,925,987</u>	<u>3,325,169</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,125,987</u>	<u>3,525,169</u>
CREDITORS: amounts falling due after more than one year	7	(1,700,000)	(2,100,000)
NET ASSETS		<u>1,425,987</u>	<u>1,425,169</u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account	9	1,425,887	1,425,069
SHAREHOLDERS' FUNDS	10	<u>1,425,987</u>	<u>1,425,169</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

29 September 2009



A Puri
Director

COMPANY NUMBER 1799773

MELLHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2008

1 ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

b) Investments

Investments are stated at cost less provision for permanent diminution.

c) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2 OPERATING PROFIT

The operating profit is stated after charging / (crediting):

	2008 £	2007 £
Audit fees	3,102	3,020
Bank charges	88	73
Exchange rate gain	(2,441)	(265)
Recovery of debt due from Jaymor Limited	-	(1,854)
Movement in provisions against related party debt	-	113,541
	<hr/>	<hr/>

No directors received any emoluments (2007 - £nil)

3 TAXATION

	2008 £	2007 £
Analysis of tax charge in the year		
Adjustment in respect of prior periods	-	2,400,000
	<hr/>	<hr/>
Tax on profit/(loss) on ordinary activities	-	2,400,000
	<hr/>	<hr/>

Factors affecting current year tax charge:

As referred to in previous years' financial statements, the company received an estimated assessment from HM Revenue and Customs (HMRC) assessing additional corporation tax of £10.4 million for the year ended 31 December 1998. The assessment was based on an estimated chargeable gain of £33.5 million arising on the sale of the company's investment in Melham Holdings Inc. to Purico (IOM) Limited in September 1998.

In the prior year the company reached an agreement with HMRC to pay a sum of £2.4 million over a five year period in full and final settlement of the claim. The amount payable under the settlement agreement was recognised in the 2007 financial statements.

MELLHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2008

4 FIXED ASSET INVESTMENTS

COST	Investments £
At 1 January 2008 and 31 December 2008	<u>1,469,229</u>
Provisions	
At 1 January 2008 and 31 December 2008	<u>1,269,229</u>
Net book amount	
At 31 December 2007 and 31 December 2008	<u><u>200,000</u></u>

At 31 December 2008 Mellham Limited has interests in the following investments:

Autoforge Limited

A 50% participating interest in the issued ordinary share capital of Autoforge Limited, a company incorporated in England and Wales. Mellham Limited has board representation and is therefore in a position to influence the financial and operating policies and its strategic direction. Autoforge Limited owns a retail development in Aston, near Birmingham.

In the year ending 31 December 2008, Autoforge Limited made a profit after tax of £224,441 (2007: £9,263) and at the end of that year the aggregate of its capital and reserves was £8,144 (2007: (£216,297)).

Melham US Inc

A 100% interest in the ordinary share capital of Melham US Inc. The investment was fully provided in 1999. The directors consider that although the company has a majority shareholding, it cannot exercise dominant influence over financial and operating policies of the company or its strategic direction as it has no representation on the board of directors. Therefore in the opinion of the directors and in order to show a true and fair view, the interest in the investment is non-participating.

MELLHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2008

5 DEBTORS

	2008 £	2007 £
Due within one year:		
Amounts owed by related parties (note 11)	1,475,822	1,606,497
Due after one year:		
Amounts owed by related parties (note 11)	1,910,271	1,910,271
	<u>3,386,093</u>	<u>3,516,768</u>

6 CREDITORS

	2008 £	2007 £
Amounts falling due within one year		
Accruals and deferred income	4,000	42,766
Amounts owed to related parties	74,950	99,950
Corporation tax	400,000	300,000
	<u>478,950</u>	<u>442,716</u>

7 CREDITORS

	2008 £	2007 £
Amounts falling due after more than one year		
Corporation tax	1,700,000	2,100,000
	<u>1,700,000</u>	<u>2,100,000</u>

8 SHARE CAPITAL

Equity share capital	Authorised £	Allotted, called up and fully paid	
		No.	£
At 1 January 2008 and 31 December 2008			
Ordinary shares of £1 each	<u>1000</u>	<u>100</u>	<u>100</u>

MELLHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2008

9 RESERVES

	£
Profit and loss account	
At 1 January 2008	1,425,069
Profit for the year	818
	<u>1,425,887</u>
At 31 December 2008	<u>1,425,887</u>

10 SHAREHOLDERS' FUNDS

	2008 £	2007 £
Shareholders' funds at 1 January 2008	1,425,169	4,088,492
Profit/(loss) for the year	818	(2,663,323)
	<u>1,425,987</u>	<u>1,425,169</u>
Shareholders' funds at 31 December 2008	<u>1,425,987</u>	<u>1,425,169</u>

11 TRANSACTIONS WITH RELATED PARTIES

As at 31 December 2008, Mellham Limited was due / (owed) the following gross amounts from / (to) related parties:

	2008 £	2007 £
Autoforge Limited	641,514	541,514
Melham Group Limited	995,909	997,079
Ancefin Limited	2,487,622	2,887,622
Purico Limited	3,162,215	3,091,715
Melham US Inc.	267,317	267,317
Environment Design Consultants	(74,950)	(99,950)

Amounts provided in respect of the above are:-

	2008 £	2007 £
Autoforge Limited	270,000	270,000
Melham US Inc.	267,317	267,317
Ancefin Limited	1,296,443	1,296,443
Purico Limited	2,234,719	2,234,719

Mellham Limited owns 50% of Autoforge Limited and 100% of Melham US Inc. (note 4).

Melham Group Limited, Ancefin Limited, Purico Limited and Environment Design Consultants are related through common control.

All the above intercompany debtors and creditors are unsecured and interest free.

MELLHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2008

11 TRANSACTIONS WITH RELATED PARTIES (continued)

During the year the following transactions took place:

		2008 £	2007 £
Purico Limited:	Management charge and salaries	-	86,287
Purico Limited:	Payment of charges	70,500	-
Melham Group Limited:	Net funding provided	797	184,801

12 PARENT UNDERTAKING AND CONTROLLING PARTIES

The company is controlled by Creditoffer Limited.
Creditoffer Limited is ultimately controlled by Mr N R Puri.