

Meachers Group Investments Limited

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

Company Number 3121085

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MEACHERS GROUP INVESTMENTS LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the company will be held at Unit 19, Mauretania Road, Nursling Industrial Estate, Southampton, Hampshire on 10th October 2011 at 11 20 a m for the following purposes -

- 1 To receive the accounts for the year ended 31 May 2011 together with the reports of the directors and auditors thereon
- 2 To re-appoint the auditors and authorise the directors to fix their remuneration

A member of the company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him A proxy need not be a member of the company

By order of the board



S R Terris
Secretary

17th September 2011

Registered office
Unit 19, Mauretania Road
Nursling Industrial Estate
Southampton
Hampshire
SO16 0YS

Registered in England
No 3121085

MEACHERS GROUP INVESTMENTS LIMITED

Report of the directors for the year ended 31 May 2011

The directors present their annual report and the audited financial statements of the company and its subsidiaries (the group) for the year ended 31 May 2011

Principal activities

The principal activities of the group are road haulage, warehousing, shipping and freight forwarding

Review of business

The results for the group are set out on page 4 of the accounts. The pre-tax profit for the year was £582,000

The directors consider the performance of the group for the year and the position at the year end to be satisfactory. The directors consider the principal risks and uncertainties to be the continuing turbulent economic conditions and the competitive industries within which the group operates.

Although the operating profit margin fell from 4.65% to 3.1% the group has continued to invest in new vehicles while significantly reducing net debt and increasing liquidity, putting the group in a position to hopefully take advantage of any upturn in the economy.

Dividends

Dividends totalling £200,000 were paid during the year.

Financial risks

The group makes little use of financial instruments other than an operational bank account, hire purchase and contract hire agreements. All of these bear interest at a market competitive variable rate. As a result the exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the group.

Directors

The directors of the company at the date of this report were as follows:

Mr R T Terris	- Managing Director
Mr R J Lambourne	
Mr N S Fensome	- Appointed 3 November 2011
Mr S R Terris	- Appointed 1 November 2011

Under the company's Articles of Association the directors are not subject to retirement by rotation.

Mr C W Broadley	- Resigned 31 October 2011
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MEACHERS GROUP INVESTMENTS LIMITED

Report of the directors for the year ended 31 May 2011

Charitable donations

During the year the group made charitable donations of £3,950 (2010 £14,167)

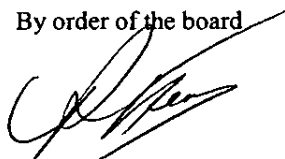
Provision of information to auditors

The directors of the group have individually considered their responsibilities to provide information to the group's auditors and, in so far as each of them are aware, there is no relevant audit information of which the group'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 auditors are aware of that information

Auditors

RSM Tenon Audit Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006

By order of the board



R. T. Ferris
Director

18th November 2011

Registered office
Unit 19, Mauretania Road
Nursling Industrial Estate
Southampton
Hampshire
SO16 0YS

Registered in England
No 3121085

MEACHERS GROUP INVESTMENTS LIMITED

Consolidated Profit and Loss Account for the year ended 31 May 2011

	<u>Notes</u>	<u>2011 £000</u>	<u>2010 £000</u>
Turnover	1(b)	20,126	20,808
Cost of sales		<u>17,434</u>	<u>17,549</u>
Gross profit		2,692	3,259
Other operating expenses	2	<u>2,059</u>	<u>2,297</u>
Operating profit	3	633	962
Net interest	4	<u>51</u>	<u>65</u>
Profit on ordinary activities before taxation		582	897
Taxation	6	<u>172</u>	<u>285</u>
Profit for the period after taxation	7	<u>410</u>	<u>612</u>

All amounts relate to continuing operations

The group has no recognised gains or losses other than the profit for the year

MEACHERS GROUP INVESTMENTS LIMITED

Company Number. 3121085

Consolidated Balance Sheet at 31 May 2011

		Group		Company	
		2011 £000	2010 £000	2011 £000	2010 £000
	Notes				
Fixed assets					
Tangible assets	9	2,536	2,651	-	-
Investments	10	<u>14</u>	<u>34</u>	<u>2,398</u>	<u>2,398</u>
		<u>2,550</u>	<u>2,685</u>	<u>2,398</u>	<u>2,398</u>
Current assets					
Stocks	13	58	58	-	-
Debtors	14	3,224	4,035	-	-
Cash at bank and in hand		<u>735</u>	<u>94</u>	<u>-</u>	<u>-</u>
		4,017	4,187	-	-
Creditors amounts falling due within one year	15	<u>3,023</u>	<u>3,428</u>	<u>-</u>	<u>-</u>
Net current assets		<u>994</u>	<u>759</u>	<u>-</u>	<u>-</u>
Total assets less current liabilities		3,544	3,444	2,398	2,398
Creditors amounts falling due after more than one year	15	823	900	-	-
Provisions for liabilities and charges	16	<u>102</u>	<u>135</u>	<u>-</u>	<u>-</u>
Net assets		<u>2,619</u>	<u>2,409</u>	<u>2,398</u>	<u>2,398</u>
Capital and reserves					
Called-up share capital	17	93	93	93	93
Share premium account	18	17	17	17	17
Capital redemption reserve	18	1,000	1,000	1,000	1,000
Profit and loss account	18	<u>1,509</u>	<u>1,299</u>	<u>1,288</u>	<u>1,288</u>
Total shareholders' funds	18	<u>2,619</u>	<u>2,409</u>	<u>2,398</u>	<u>2,398</u>

These financial statements were approved by the directors and authorised for issue on 18 Nov 2011 and are signed on their behalf by


) Director

MEACHERS GROUP INVESTMENTS LIMITED

Consolidated Cash Flow Statement for the year ended 31 May 2011

Cash Flow Statement

	<u>Notes</u>	<u>2011 £000</u>	<u>2010 £000</u>
Net cash inflow from operating activities	3(b)	<u>1,759</u>	<u>1,478</u>
Returns on investments and servicing of finance			
Interest paid on lease purchase agreements		(46)	(52)
Interest paid on loan		-	(1)
Other interest paid		<u>(6)</u>	<u>(14)</u>
Net cash outflow for returns on investments and servicing of finance		<u>(52)</u>	<u>(67)</u>
Taxation			
UK Corporation Tax paid		<u>(309)</u>	<u>(133)</u>
Investing Activities			
Purchase of tangible fixed assets		(54)	(159)
Sale of tangible fixed assets		122	17
Sale of fixed asset investments		<u>2</u>	<u>-</u>
Net cash outflow for investing activities		<u>70</u>	<u>(142)</u>
Equity dividends paid			
Ordinary dividends paid		<u>(200)</u>	<u>(300)</u>
Financing			
Bank loan repaid		-	(65)
Lease Purchase - capital paid		(557)	(424)
- initial payments		<u>(70)</u>	<u>(47)</u>
Net cash outflow for financing		<u>(627)</u>	<u>(536)</u>
Increase in cash		<u>641</u>	<u>300</u>

MEACHERS GROUP INVESTMENTS LIMITED

Consolidated Cash Flow Statement for the year ended 31 May 2011

Reconciliation of net cash flow to movement in net debt

	2011 £000	2010 £000
Increase in cash in the year	641	300
Increase in debt due within one year	(149)	(16)
Decrease in debt due after one year	77	84
Change in net debt	569	368
Net debt at 1 June 2010 / 1 June 2009	(1,251)	(1,619)
Net debt at 31 May 2011 / 31 May 2010	(682)	(1,251)

Analysis of changes in net debt

	At 1 6 2010 £000	Cash Flows £000	Other Changes £000	At 31 5 2011 £000
Cash at bank and in hand	94	641	-	735
Debt due within one year	(445)	627	(776)	(594)
Debt due after one year	(900)	-	77	(823)
Total	(1,251)	1,268	(699)	(682)

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

1. Principal accounting policies

(a) **Basis of accounting**

The accounts have been prepared under the historical cost convention in accordance with applicable accounting standards in the U K. As allowed under S408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these accounts

(b) **Turnover**

Turnover, which arises from one class of business in the U K, is the amount receivable for services provided and goods supplied, excluding value added tax

(c) **Taxation**

Corporation tax at appropriate rates is charged on the taxable profits computed in accordance with current tax legislation. Full provision is made for deferred taxation using tax rates that have been enacted or substantially enacted

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 or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

(d) **Tangible fixed assets**

Tangible fixed assets are stated at cost. Cost represents the purchase price plus any incidental costs at acquisition. Depreciation is provided on a straight line basis at such rates as will write off the cost of the various assets over the period of their expected useful lives. The principal annual rates of depreciation used are as follows

Leasehold land and buildings	- the term of the lease
Motor Vehicles	- 15 - 50% as appropriate
Plant & Equipment	- 10 - 33% as appropriate

(e) **Stock**

Stock is stated at the lower of cost and net realisable value. Cost is determined on the basis of first-in, first-out, and represents purchase price

(f) **Investments**

Investments are stated at cost. Where appropriate, provision is made for permanent diminution in value

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

(g) **Basis of consolidation**

The consolidated accounts incorporate the accounts of all subsidiary companies. The results of subsidiaries sold or acquired are included in the consolidated profit and loss account up to, or from, the date control passes. Goodwill, representing the excess of the purchase consideration for businesses acquired over the fair value ascribed to the net tangible assets on acquisition, is amortised on a systematic basis over the lives of those assets.

(h) **Pension arrangements**

The group contributes to defined contribution pension schemes. Employer pension contributions are charged to the profit and loss account as incurred. See also note 19.

(i) **Leased assets**

Assets acquired under lease purchase agreements are included in tangible fixed assets and depreciated in accordance with the policy referred to above. Unpaid capital is treated as a loan and shown under creditors. Interest is charged to the profit and loss account as incurred.

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

(j) **Foreign exchange**

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 of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	2011 £000	2010 £000
2. Other operating expenses		
Distribution and selling costs	1,149	1,332
Administration expenses	910	965
Other operating expenses	2,059	2,297

	2011 £000	2010 £000
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3. Operating profit

(a) Operating profit is stated after charging

Operating lease charges	- plant and equipment	523	586
	- land and buildings	944	936

Depreciation of and amounts written off fixed assets

Charge for period	- tangible fixed assets	287	369
	- tangible fixed assets under lease purchase agreements	468	371
	- Profit on disposal of tangible fixed assets	(9)	(5)
	- Loss on disposal of fixed asset investments	18	-
Auditors' remuneration	- for audit	15	16
	- taxation services	4	7

(b) Reconciliation of operating profit to net cash inflow from operating activities

Operating profit	633	962
Depreciation charges	755	740
Profit on sale of fixed assets	(9)	(5)
Loss on disposal of fixed asset investment	18	-
Increase in stocks	-	(12)
Decrease/(increase) in debtors	811	(837)
(Decrease)/increase in creditors	(449)	630
Net cash inflow from operating activities	1,759	1,478

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	2011 £000	2010 £000
4. Net interest		
On bank loans, overdrafts and other loans		
Repayable within 5 years, by instalments	-	1
Interest payable on lease purchase agreements	45	51
Other interest payable	6	13
	<u>51</u>	<u>65</u>

	2011 £000	2010 £000
5. Employees		
Staff costs during the period		
Wages and salaries	3,907	4,031
Social security costs	413	396
Other pension costs	78	96
	<u>4,398</u>	<u>4,523</u>

The average number of persons employed by the group each week during the period was

	2011 Number	2010 Number
Hourly paid	85	90
Salaried	67	66
	<u>152</u>	<u>156</u>

	2011 £000	2010 £000
Directors remuneration		
Aggregate emoluments	609	672
Company pension contributions to money purchase schemes	28	45
Highest paid director		
Aggregate emoluments	134	136

Retirement benefits are accruing to seven directors (2010 seven) under money purchase pension schemes

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	2011 £000	2010 £000
6 Tax on profit on ordinary activities		
(a) Analysis of charge for the period		
U K corporation tax at 27.67% (2010: 28%)		
Current tax		
U K corporation tax on profits of the period	205	309
Adjustment in respect of previous period	-	-
Total current tax	205	309
Deferred tax		
Origination and reversal of timing differences	(33)	(24)
	172	285

(b) Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the U K. The differences are explained below:

	2011 £000	2010 £000
Profit on ordinary activities before tax	582	897
Profit on ordinary activities multiplied by standard rate U K corporation tax of 27.67% (2010: 28%)	161	251
Effects of:		
Expenses not deductible for tax purposes	32	40
Depreciation in excess of capital allowances	27	22
Miscellaneous minor current year adjustments	(3)	3
Marginal Relief	(12)	(7)
Current tax charge for period	205	309

(c) Factors that may affect future tax charges

Based upon current capital investment plans, the group expects depreciation to exceed capital allowances for the foreseeable future.

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	<u>2011</u> <u>£000</u>	<u>2010</u> <u>£000</u>
7. Profit attributable to members of the holding company		
Dealt with in the accounts of subsidiary companies	<u>582</u>	<u>612</u>

	<u>2011</u> <u>£000</u>	<u>2010</u> <u>£000</u>
8. Dividends payable on equity shares		
Paid - ordinary shares	<u>200</u>	<u>300</u>

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	<u>Leasehold land and buildings £000</u>	<u>Motor vehicles £000</u>	<u>Plant & equipment £000</u>	<u>Total £000</u>
9: Tangible fixed assets				
Group				
Cost:				
At 1 June 2010	956	3,378	1,396	5,730
Additions	9	723	21	753
Disposals	<u>-</u>	<u>(751)</u>	<u>(87)</u>	<u>(838)</u>
At 31 May 2011	<u>965</u>	<u>3,350</u>	<u>1,330</u>	<u>5,645</u>
Depreciation				
At 1 June 2010	579	1,567	933	3,079
Charge for period	69	521	165	755
Eliminated in respect of disposals	<u>-</u>	<u>(637)</u>	<u>(88)</u>	<u>(725)</u>
At 31 May 2011	<u>648</u>	<u>1,451</u>	<u>1,010</u>	<u>3,109</u>
Net book value:				
At 31 May 2011	<u>317</u>	<u>1,899</u>	<u>320</u>	<u>2,536</u>
At 31 May 2010	<u>377</u>	<u>1,811</u>	<u>463</u>	<u>2,651</u>

The net book value of tangible fixed assets includes an amount of £1,841,366 (2010 £1,682,773) in respect of assets held under lease purchase agreements

Leasehold properties are held on short leases

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	Other investments £000
10. Fixed asset investments	
Group	
<u>Cost</u>	
At 1 June 2010	34
Disposals	(20)
At 31 May 2011	14
 Amounts written off	
At 1 June 2010 and 31 May 2011	-
<u>Net book value</u>	
At 31 May 2011	14
At 31 May 2010	34
 During the year the LinQ Alliance investment was sold for proceeds of £2,072	
	Subsidiary companies £000
Company	
<u>Cost</u>	
At 1 June 2010 and 31 May 2011	2,398
 Amounts written off	
At 1 June 2010 and 31 May 2011	-
<u>Net book value</u>	
At 31 May 2011	2,398
At 31 May 2010	2,398

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

10. Fixed asset investments (cont'd)

The companies in which Meachers Group Investments Limited holds more than 20% of the equity are set out below

	<u>Country of Incorporation or Registration</u>	<u>Status</u>	<u>Proportion held</u>
Subsidiary companies			
Meachers Global Logistics Limited (formerly Meachers Group Holdings Limited)	England	Trading	100%
Write Law Limited (formerly K L Commercials Limited)	England	Dormant	100%
Oast (Agencies) Limited	England	Dormant	100%
Southampton Road Transport Limited	England	Dormant	100%

The capital of each of the subsidiary companies above comprises ordinary shares only All of the above companies are included in the consolidation

Group		Company	
2011	2010	2011	2010
<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>

11. Capital commitments

Capital expenditure that has
been contracted for but has not
been provided for in the accounts

-	345	-	-
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MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
12. Commitments under operating leases				
At the end of the period the group had annual commitments under non-cancellable operating leases as follows				
Land and buildings				
Expiring within 1 year	85	85	-	-
Expiring between 2 and 5 years	859	-	-	-
Expiring in 5 years or more	-	859	-	-
	<u>944</u>	<u>944</u>	<u>-</u>	<u>-</u>
Other				
Expiring within 1 year	35	193	-	-
Expiring between 2 and 5 years	85	157	-	-
Expiring in 5 years or more	29	29	-	-
	<u>149</u>	<u>379</u>	<u>-</u>	<u>-</u>
13. Stocks				
Stocks comprise				
Fuel & Oil	<u>58</u>	<u>58</u>	<u>-</u>	<u>-</u>
14. Debtors				
Amounts falling due within one year				
Trade Debtors	2,592	2,988	-	-
Prepayments and accrued income	595	1,005	-	-
Other Debtors	<u>37</u>	<u>42</u>	<u>-</u>	<u>-</u>
	<u>3,224</u>	<u>4,035</u>	<u>-</u>	<u>-</u>

Included in other debtors is £36,000 due from Hampshire County Cricket Club, which is due after one year

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
15. Creditors				
Amounts falling due within one year				
Lease purchase agreements	594	445	-	-
Payments received on account	100	100	-	-
Trade creditors	845	1,203	-	-
Corporation tax	205	309	-	-
Other taxation and social security payable	614	598	-	-
Other creditors	56	26	-	-
Accruals and deferred income	609	747	-	-
	<u>3,023</u>	<u>3,428</u>	<u>-</u>	<u>-</u>
Amounts falling due after one year				
Lease purchase agreements				
Between 1 and 2 years	463	441	-	-
Between 2 and 5 years	<u>360</u>	<u>459</u>	<u>-</u>	<u>-</u>
	<u>823</u>	<u>900</u>	<u>-</u>	<u>-</u>

All lease purchase agreements are secured against specific vehicles or equipment and fall due within five years of the balance sheet date

Cross guarantees are in place between this company and Meachers Global Logistics Limited (formerly Meachers Group Holdings Limited) in respect of bank borrowings

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	2011 £000	2010 £000
16. Deferred taxation		
Group		
Provision at end of period		
Capital allowances in excess of depreciation	<u>102</u>	<u>135</u>
Deferred tax liability	<u>102</u>	<u>135</u>
 Adjustment to provision		
At start of period	135	159
Transfer to profit and loss account for the period (note 6)	<u>(33)</u>	<u>(24)</u>
At end of period	<u>102</u>	<u>135</u>

Full provision, without discounting, has been made in the group for deferred taxation in the current period in respect of timing differences relating to depreciation, capital allowances and other short term timing differences as required by Financial Reporting Standard 19. This value has been quantified using the corporation tax rate of 27.67%.

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	2011 £000	2010 £000
17. Called-up share capital		
Allotted, called up and fully paid 92,857 ordinary shares of £1 each	<u>93</u>	<u>93</u>

	Ordinary share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Equity shareholders' funds £000
18. Shareholders' funds					
Group					
At 1 June 2010	93	17	1,000	1,299	2,409
Profit for the period	-	-	-	410	410
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200)</u>	<u>(200)</u>
At 31 May 2011	<u>93</u>	<u>17</u>	<u>1,000</u>	<u>1,509</u>	<u>2,619</u>
Company					
At 1 June 2010	93	17	1,000	1,288	2,398
Profit for the period	-	-	-	200	200
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200)</u>	<u>(200)</u>
At 31 May 2011	<u>93</u>	<u>17</u>	<u>1,000</u>	<u>1,288</u>	<u>2,398</u>

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

19. Pension arrangements

The group contributes to a company sponsored money purchase group personal pension scheme for eligible employees who choose to participate. The group also contributes to a small self-administered contributory money purchase personal pension scheme for two executive directors. For both schemes, the personal funds available at retirement are not guaranteed and can be used to purchase an annuity or alternatively be part cashed. The total pension cost for the group is disclosed in note 5. All contributions had been paid over at the period end.

20. Related Party Transaction

During the year a dividend of £120,000 was paid to R T Terris and a dividend of £80,000 was paid to R J Lambourne who are both directors of the company.

21. Control

The ultimate controlling party is considered to be R T Terris due to his ownership of the majority of the share capital of the company.

MEACHERS GROUP INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 group and company and of the profit or loss of the group and company for that year. In preparing those 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 and company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

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

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 financial statements may differ from legislation in other jurisdictions.

By order of the board

Secretary

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF MEACHERS GROUP INVESTMENTS LIMITED AND SUBSIDIARY
COMPANIES**

We have audited the financial statements of Meachers Group Investments Limited for the year ended 31 May 2011 on pages 4 to 21. The financial 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 group'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 group'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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 group'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. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and company's affairs as at 31 May 2011 and of its 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.

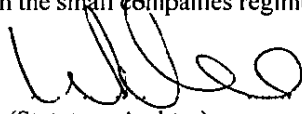
Opinion on other matter prescribed by the Companies Act 2006

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 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime


Kevin Lee (Statutory Auditor)
for and on behalf of RSM Tenon Audit Limited, Statutory Auditor

Vantage
Victoria Street
Basingstoke
Hampshire RG21 3BT

Date 18th November 2011