

Meachers Group Investments Limited

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2012

Company Number 03121085



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 14th August 2012 at 4 10 p m for the following purposes -

- 1 To receive the accounts for the year ended 31 May 2012 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

31st July 2012

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

Registered in England
No 03121085

MEACHERS GROUP INVESTMENTS LIMITED

Report of the directors for the year ended 31 May 2012

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 2012

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 £835,000

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 continues to operate

The operating profit margin returned to the 2010 level of 4.8% after dipping last year to 3.1% Net debt has been further reduced and the liquidity of the group increased in line with the directors' expectations

Dividends

Dividends totalling £250,000 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 2012

Charitable donations

During the year the group made charitable donations of £1,715 (2011 £3,950)

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. Terris
Director

20th August 2012

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

Registered in England
No 03121085

MEACHERS GROUP INVESTMENTS LIMITED

Consolidated Profit and Loss Account for the year ended 31 May 2012

	<u>Notes</u>	<u>2012 £000</u>	<u>2011 £000</u>
Turnover	1(b)	18,353	20,126
Cost of sales		<u>15,459</u>	<u>17,434</u>
Gross profit		2,894	2,692
Other operating expenses	2	<u>2,017</u>	<u>2,059</u>
Operating profit	3	877	633
Net interest	4	<u>42</u>	<u>51</u>
Profit on ordinary activities before taxation		835	582
Taxation	6	<u>229</u>	<u>172</u>
Profit for the period after taxation	7	<u>606</u>	<u>410</u>

All amounts relate to continuing operations

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

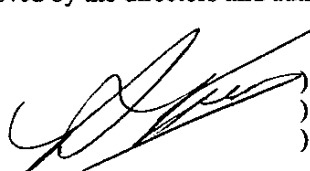
MEACHERS GROUP INVESTMENTS LIMITED

Company Number: 03121085

Consolidated Balance Sheet at 31 May 2012

		Group	Company	2012	2011
		2012	2011	2012	2011
		£000	£000	£000	£000
	Notes				
Fixed assets					
Tangible assets	9	2,350	2,536	-	-
Investments	10	14	14	2,398	2,398
		<u>2,364</u>	<u>2,550</u>	<u>2,398</u>	<u>2,398</u>
Current assets					
Stocks	13	62	58	-	-
Debtors	14	3,610	3,224	-	-
Cash at bank and in hand		<u>983</u>	<u>735</u>	-	-
		4,655	4,017	-	-
Creditors amounts falling due within one year	15	<u>3,506</u>	<u>3,023</u>	-	-
Net current assets		<u>1,149</u>	<u>994</u>	-	-
Total assets less current liabilities		3,513	3,544	2,398	2,398
Creditors amounts falling due after more than one year	15	503	823	-	-
Provisions for liabilities and charges	16	<u>35</u>	<u>102</u>	-	-
Net assets		<u>2,975</u>	<u>2,619</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>1,865</u>	<u>1,509</u>	<u>1,288</u>	<u>1,288</u>
Total shareholders' funds	18	<u>2,975</u>	<u>2,619</u>	<u>2,398</u>	<u>2,398</u>

These financial statements were approved by the directors and authorised for issue on 20th August 2012 and are signed on their behalf by


 Director
 R.T. Terris

MEACHERS GROUP INVESTMENTS LIMITED

Consolidated Cash Flow Statement for the year ended 31 May 2012

Cash Flow Statement

	<u>Notes</u>	<u>2012</u> <u>£000</u>	<u>2011</u> <u>£000</u>
Net cash inflow from operating activities	3(b)	<u>1,672</u>	<u>1,759</u>
Returns on investments and servicing of finance			
Interest paid on lease purchase agreements		(42)	(46)
Other interest paid		<u>-</u>	<u>(6)</u>
Net cash outflow for returns on investments and servicing of finance		<u>(42)</u>	<u>(52)</u>
Taxation			
UK Corporation Tax paid		<u>(205)</u>	<u>(309)</u>
Investing Activities			
Purchase of tangible fixed assets		(341)	(54)
Sale of tangible fixed assets		74	122
Sale of fixed asset investments		<u>-</u>	<u>2</u>
Net cash outflow for investing activities		<u>(267)</u>	<u>70</u>
Equity dividends paid			
Ordinary dividends paid		<u>(250)</u>	<u>(200)</u>
Financing			
Lease Purchase - capital paid		(632)	(557)
- initial payments		<u>(28)</u>	<u>(70)</u>
Net cash outflow for financing		<u>(660)</u>	<u>(627)</u>
Increase in cash		<u>248</u>	<u>641</u>

MEACHERS GROUP INVESTMENTS LIMITED

Consolidated Cash Flow Statement for the year ended 31 May 2012

Reconciliation of net cash flow to movement in net debt

	2012 £000	2011 £000
Increase in cash in the year	248	641
Decrease/(Increase) in debt due within one year	58	(149)
Decrease in debt due after one year	320	77
Change in net debt	626	569
Net debt at 1 June 2011 / 1 June 2010	(682)	(1,251)
Net debt at 31 May 2012 / 31 May 2011	(56)	(682)

Analysis of changes in net debt

	At 1 6 2011 £000	Cash Flows £000	Other Changes £000	At 31 5 2012 £000
Cash at bank and in hand	735	248	-	983
Debt due within one year	(594)	660	(602)	(536)
Debt due after one year	(823)	-	320	(503)
Total	(682)	908	(282)	(56)

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 of 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 - 25% as appropriate
Plant & Equipment	- 10 - 50% as appropriate

(e) **Investment Property**

In accordance with SSAP 19, depreciation is not provided on investment properties. Properties are revalued annually and revaluation surpluses are taken to the revaluation reserve. Deficits on revaluation which are considered to be permanent are charged to the profit and loss account and subsequent reversals are credited

Temporary deficits on revaluations are charged to the revaluation reserve up to the amount of the associated revaluation surplus, and any excess deficits are charged to the profit and loss account

(f) **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

(g) **Investments**

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

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

(h) **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.

(i) **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.

(j) **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.

(k) **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

	2012 £000	2011 £000
2. Other operating expenses		
Distribution and selling costs	1,151	1,149
Administration expenses	866	910
Other operating expenses	2,017	2,059
	2012 £000	2011 £000
3. Operating profit		
(a) Operating profit is stated after charging		
Operating lease charges		
- plant and equipment	396	523
- land and buildings	944	944
Depreciation of and amounts written off fixed assets		
Charge for period		
- tangible fixed assets	259	287
- tangible fixed assets under lease purchase agreements	500	468
- Profit on disposal of tangible fixed assets	(24)	(9)
- Loss on disposal of fixed asset investments	-	18
Auditors' remuneration		
- for audit	20	15
- taxation services	8	4
(b) Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	877	633
Depreciation charges	759	755
Profit on sale of fixed assets	(24)	(9)
Loss on disposal of fixed asset investment	-	18
Increase in stocks	(4)	-
(Increase)/Decrease in debtors	(386)	811
Increase/(Decrease) in creditors	450	(449)
Net cash inflow from operating activities	1,672	1,759

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	2012 £000	2011 £000
4. Net interest		
Interest payable on lease purchase agreements	37	45
Other interest payable	5	6
	<u>42</u>	<u>51</u>

	2012 £000	2011 £000
5. Employees		
Staff costs during the period		
Wages and salaries	3,810	3,907
Social security costs	377	413
Other pension costs	128	78
	<u>4,315</u>	<u>4,398</u>

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

	2012 Number	2011 Number
Hourly paid	79	85
Salaried	64	67
	<u>143</u>	<u>152</u>

	2012 £000	2011 £000
Directors remuneration		
Aggregate emoluments	667	609
Company pension contributions to money purchase schemes	84	28
Highest paid director		
Aggregate emoluments	140	134

Retirement benefits are accruing to seven directors (2011 seven) under money purchase pension schemes

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	2012 £000	2011 £000
6. Tax on profit on ordinary activities		
(a) Analysis of charge for the period		
U K corporation tax at 25 67% (2011 27 67%)		
Current tax		
U K corporation tax on profits of the period	296	205
Adjustment in respect of previous period	-	-
Total current tax	296	205
Deferred tax		
Origination and reversal of timing differences	(67)	(33)
	229	172

(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

	2012 £000	2011 £000
Profit on ordinary activities before tax	835	582
Profit on ordinary activities multiplied by standard rate U K corporation tax of 25 67% (2011 27 67%)	214	161
Effects of		
Expenses not deductible for tax purposes	22	32
Depreciation in excess of capital allowances	64	27
Miscellaneous minor current year adjustments	1	(3)
Marginal Relief	(5)	(12)
Current tax charge for period	296	205

(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>2012</u> <u>£000</u>	<u>2011</u> <u>£000</u>
7. Profit attributable to members of the holding company		
Dealt with in the accounts of subsidiary companies	<u>606</u>	<u>410</u>

	<u>2012</u> <u>£000</u>	<u>2011</u> <u>£000</u>
8. Dividends payable on equity shares		
Paid - ordinary shares	<u>250</u>	<u>200</u>

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	Freehold Investment Property £000	Leasehold land and buildings £000	Motor vehicles £000	Plant & equipment £000	Total £000
9 Tangible fixed assets					
Group					
Cost					
At 1 June 2011	-	965	3,350	1,330	5,645
Additions	249	3	306	65	623
Disposals	-	-	(239)	-	(239)
At 31 May 2012	<u>249</u>	<u>968</u>	<u>3,417</u>	<u>1,395</u>	<u>6,029</u>
Depreciation					
At 1 June 2011	-	648	1,451	1,010	3,109
Charge for period	-	70	537	152	759
Eliminated in respect of disposals	-	-	(189)	-	(189)
At 31 May 2012	<u>-</u>	<u>718</u>	<u>1,799</u>	<u>1,162</u>	<u>3,679</u>
Net book value					
At 31 May 2012	<u>249</u>	<u>250</u>	<u>1,618</u>	<u>233</u>	<u>2,350</u>
At 31 May 2011	<u>-</u>	<u>317</u>	<u>1,899</u>	<u>320</u>	<u>2,536</u>

The net book value of tangible fixed assets includes an amount of £1,544,294 (2011 £1,841,366) in respect of assets held under lease purchase agreements

Leasehold properties are held on short leases

The investment property is being carried at the Directors' valuation which has been based on similar property transactions in the same geographical area

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	Other investments £000
10. Fixed asset investments	
Group	
<u>Cost</u>	
At 1 June 2011 and 31 May 2012	<u>14</u>
 Amounts written off	
At 1 June 2011 and 31 May 2012	<u>-</u>
 <u>Net book value</u>	
At 31 May 2012	<u>14</u>
At 31 May 2011	<u>14</u>
	Subsidiary companies £000
Company	
<u>Cost</u>	
At 1 June 2011 and 31 May 2012	<u>2,398</u>
 Amounts written off	
At 1 June 2011 and 31 May 2012	<u>-</u>
 <u>Net book value</u>	
At 31 May 2012	<u>2,398</u>
At 31 May 2011	<u>2,398</u>

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	England	Trading	100%
Write Law 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	
2012	2011	2012	2011
<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

<u>450</u>	<u>-</u>	<u>450</u>	<u>-</u>
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MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £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	-	-
Expiring between 2 and 5 years	674	859	-	-
Expiring in 5 years or more	270	-	-	-
	<u>944</u>	<u>944</u>	<u>-</u>	<u>-</u>
Other				
Expiring within 1 year	34	35	-	-
Expiring between 2 and 5 years	90	85	-	-
Expiring in 5 years or more	-	29	-	-
	<u>124</u>	<u>149</u>	<u>-</u>	<u>-</u>
13. Stocks				
Stocks comprise				
Fuel & Oil	<u>62</u>	<u>58</u>	<u>-</u>	<u>-</u>
14. Debtors				
Amounts falling due within one year				
Trade Debtors	2,643	2,592	-	-
Prepayments and accrued income	930	595	-	-
Other Debtors	<u>37</u>	<u>37</u>	<u>-</u>	<u>-</u>
	<u>3,610</u>	<u>3,224</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	
	2012 £000	2011 £000	2012 £000	2011 £000
15. Creditors				
Amounts falling due within one year				
Lease purchase agreements	536	594	-	-
Payments received on account	100	100	-	-
Trade creditors	1 456	845	-	-
Corporation tax	296	205	-	-
Other taxation and social security payable	516	614	-	-
Other creditors	25	56	-	-
Accruals and deferred income	577	609	-	-
	<u>3,506</u>	<u>3,023</u>	<u>-</u>	<u>-</u>
Amounts falling due after one year				
Lease purchase agreements				
Between 1 and 2 years	342	463	-	-
Between 2 and 5 years	161	360	-	-
	<u>503</u>	<u>823</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 in respect of bank borrowings

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	2012 £000	2011 £000
16. Deferred taxation		
Group		
Provision at end of period		
Capital allowances in excess of depreciation	<u>35</u>	<u>102</u>
Deferred tax liability	<u>35</u>	<u>102</u>
Adjustment to provision		
At start of period	102	135
Transfer to profit and loss account for the period (note 6)	<u>(67)</u>	<u>(33)</u>
At end of period	<u>35</u>	<u>102</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 24.00%.

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	2012 £000	2011 £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 2011	93	17	1,000	1,509	2,619
Profit for the period	-	-	-	606	606
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(250)</u>	<u>(250)</u>
At 31 May 2012	<u>93</u>	<u>17</u>	<u>1,000</u>	<u>1,865</u>	<u>2,975</u>
Company					
At 1 June 2011	93	17	1,000	1,288	2,398
Profit for the period	-	-	-	250	250
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(250)</u>	<u>(250)</u>
At 31 May 2012	<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 Transactions

During the year the company purchased an investment property at open market value from S Terris, a director of Meachers Global Logistics Limited.

A dividend of £150,000 was paid to R T Terris and a dividend of £100,000 was paid to R J Lambourne who are both directors of the company during the year.

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 Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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.

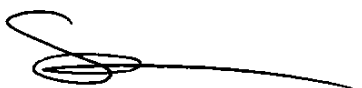
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and to enable them to ensure that the financial statements 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

MEACHERS GROUP INVESTMENTS LIMITED

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 2012 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 2012 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.

MEACHERS GROUP INVESTMENTS LIMITED

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



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

Vantage
Victoria Street
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Date 20th August 2012