

MEACHERS GROUP INVESTMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2009

Company Number 3121085

THURSDAY



LU6NQH1G

LD2

28/01/2010

260

COMPANIES HOUSE

MEACHERS GROUP INVESTMENTS LIMITED

Report of the directors for the year ended 31 May 2009

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 2009.

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 £589,000. The pre-tax profit for 2008, which was a 17 month accounting period, was £551,000.

The Directors were pleased with the performance of the group for the year and with the position at the year end, given the competitive industries within which the group operates and the turbulent economic conditions experienced over the year.

The group's trading performance showed further improvement with operating profit margin increasing from 2.7% to 3.3%. The group has continued to invest heavily in vehicles, facilities and technology during the year.

Dividends

Interim dividends totalling £150,000 were paid during the year. The directors are not recommending a final dividend.

Financial risks

The group makes little use of financial instruments other than an operational bank account, bank loan facility and hire purchase or 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. C.W. Broadley	

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

MEACHERS GROUP INVESTMENTS LIMITED

Report of the directors for the year ended 31 May 2009

Charitable donations

During the year the group made charitable donations of £9,254 (2008: £7,338).

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

Our auditors have changed their name to RSM Tenon Audit Limited and have signed the audit report in their new name.

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

By order of the board



S R Terris
Secretary

14th January 2010

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 period ended 31 May 2009

	Notes	12 months to 31 May 2009 £000	17 months to 31 May 2008 £000
Turnover	1(b)	20,317	22,901
Cost of sales		<u>17,603</u>	<u>19,682</u>
Gross profit		2,714	3,219
Other operating expenses	2	<u>2,053</u>	<u>2,607</u>
Operating profit	3	661	612
Net interest	4	<u>72</u>	<u>61</u>
Profit on ordinary activities before taxation		589	551
Taxation	6	<u>194</u>	<u>169</u>
Profit for the period after taxation	7	<u>395</u>	<u>382</u>

All amounts relate to continuing operations.

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

MEACHERS GROUP INVESTMENTS LIMITED

Consolidated Balance Sheet at 31 May 2009

		Group		Company	
		31 May 2009	31 May 2008	31 May 2009	31 May 2008
		£000	£000	£000	£000
	Notes				
Fixed assets					
Tangible assets	9	2,776	2,207	-	-
Investments	10	34	34	2,398	2,398
		<u>2,810</u>	<u>2,241</u>	<u>2,398</u>	<u>2,398</u>
Current assets					
Stocks	13	46	51	-	-
Debtors	14	3,198	3,984	-	-
Cash at bank and in hand		<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>
		3,247	4,038	-	-
Creditors: amounts falling due within one year	15	<u>2,817</u>	<u>3,344</u>	<u>-</u>	<u>-</u>
Net current assets		<u>430</u>	<u>694</u>	<u>-</u>	<u>-</u>
Total assets less current liabilities		3,240	2,935	2,398	2,398
Creditors: amounts falling due after more than one year	15	984	986	-	-
Provisions for liabilities and charges	17	<u>159</u>	<u>97</u>	<u>-</u>	<u>-</u>
Net assets		<u>2,097</u>	<u>1,852</u>	<u>2,398</u>	<u>2,398</u>
Capital and reserves					
Called-up share capital	18	93	93	93	93
Share premium account	19	17	17	17	17
Capital redemption reserve	19	1,000	1,000	1,000	1,000
Profit and loss account	19	<u>987</u>	<u>742</u>	<u>1,288</u>	<u>1,288</u>
Total shareholders' funds	19	<u>2,097</u>	<u>1,852</u>	<u>2,398</u>	<u>2,398</u>

These financial statements were approved by the directors and authorised for issue on 14 Jan 2010 and are signed on their behalf by:


)
) Director

MEACHERS GROUP INVESTMENTS LIMITED

Consolidated Cash Flow Statement for the period ended 31 May 2009

Cash Flow Statement

	<u>Notes</u>	<u>12 months to 31 May 2009 £000</u>	<u>17 months to 31 May 2008 £000</u>
Net cash inflow from operating activities	3(b)	<u>1,276</u>	<u>831</u>
Returns on investments and servicing of finance			
Interest paid on lease purchase agreements		(62)	(56)
Interest paid on loan		(8)	(17)
Other interest paid		-	(26)
Other interest received		<u>9</u>	<u>30</u>
Net cash outflow for returns on investments and servicing of finance		<u>(61)</u>	<u>(69)</u>
Taxation			
UK Corporation Tax paid		<u>(28)</u>	<u>(105)</u>
Investing Activities			
Purchase of tangible fixed assets	10	(639)	(614)
Sale of tangible fixed assets		<u>19</u>	<u>159</u>
Net cash outflow for investing activities		<u>(620)</u>	<u>(455)</u>
Equity dividends paid			
Ordinary dividends paid		<u>(150)</u>	<u>(100)</u>
Financing			
Bank loan repaid	16	(65)	(130)
Lease Purchase - capital paid		(354)	(337)
- initial payments		<u>(52)</u>	<u>(146)</u>
Net cash outflow for financing		<u>(471)</u>	<u>(613)</u>
Decrease in cash		<u>(54)</u>	<u>(511)</u>

MEACHERS GROUP INVESTMENTS LIMITED

Consolidated Cash Flow Statement for the period ended 31 May 2009

Reconciliation of net cash flow to movement in net debt

	12 months to 31 May 2009 £000	17 months to 31 May 2008 £000
Decrease in cash in the period	(54)	(511)
Increase in debt due within one year	(46)	(157)
Decrease/(Increase) in debt due after one year	2	(687)
Change in net debt	(98)	(1,355)
Net debt at 1 June 2008 / 1 January 2007	(1,521)	(166)
Net debt at 31 May 2009 / 31 May 2008	(1,619)	(1,521)

Analysis of changes in net debt

	At 1.6.2008 £000	Cash Flows £000	Other Changes £000	At 31.05.2009 £000
Cash at bank and in hand	3	-	-	3
Bank overdraft	(155)	(54)		(209)
		(54)		
Debt due within one year	(383)	383	(429)	(429)
Debt due after one year	(986)	-	2	(984)
Total	(1,521)	329	(427)	(1,619)

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. 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.
Other plant, equipment and vehicles	- 10 - 40% 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.

(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 20.

(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

	12 months to 31 May 2009 £000	17 months to 31 May 2008 £000
2. Other operating expenses		
Distribution and selling costs	982	1,166
Administration expenses	<u>1,071</u>	<u>1,441</u>
Other operating expenses	<u>2,053</u>	<u>2,607</u>
	12 months to 31 May 2009 £000	17 months to 31 May 2008 £000
3. Operating profit		
(a) Operating profit is stated after charging:		
Operating lease charges		
- plant and equipment	804	909
- land and buildings	765	1,006
Depreciation of and amounts written off fixed assets:		
Charge for period		
- tangible fixed assets	180	315
- tangible fixed assets under lease purchase agreements	386	235
- Profit on disposal of tangible fixed assets	-	(64)
- Profit on disposal of fixed asset investments	(4)	-
Auditors' remuneration		
- for audit	19	19
- taxation services	9	6
(b) Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	661	612
Depreciation charges	566	550
Profit on sale of fixed assets	-	(64)
Decrease in stocks	5	2
Decrease/(Increase) in debtors	779	(1,134)
(Decrease)/Increase in creditors	<u>(735)</u>	<u>865</u>
Net cash inflow from operating activities	<u>1,276</u>	<u>831</u>

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	12 months to 31 May 2009 £000	17 months to 31 May 2008 £000
4. Net interest		
On bank loans, overdrafts and other loans:		
Repayable within 5 years, by instalments	5	19
Interest payable on lease purchase agreements	60	57
Other interest payable/(receivable)	7	(15)
	<u>72</u>	<u>61</u>

	12 months to 31 May 2009 £000	17 months to 31 May 2008 £000
5. Employees		
Staff costs during the period		
Wages and salaries	4,150	5,113
Social security costs	417	511
Other pension costs	91	120
	<u>4,658</u>	<u>5,744</u>

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

	12 months to 31 May 2009 Number	17 months to 31 May 2008 Number
Hourly paid	97	89
Salaried	66	59
	<u>163</u>	<u>148</u>

	12 months to 31 May 2009 £000	17 months to 31 May 2008 £000
Directors remuneration:		
Aggregate emoluments	599	518
Company pension contributions to money purchase schemes	41	41
Highest paid director:		
Aggregate emoluments	133	172
Company pension contributions to money purchase scheme	6	14

Retirement benefits are accruing to seven directors (2008: seven) under money purchase pension schemes.

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	12 months to 31 May 2009 £000	17 months to 31 May 2008 £000
6. Tax on profit on ordinary activities		
(a) Analysis of charge for the period		
U.K. corporation tax at 28% (2008: 20%)		
Current tax:		
U.K. corporation tax on profits of the period	158	27
Adjustment in respect of previous period	(26)	1
Total current tax	132	28
Deferred tax:		
Origination and reversal of timing differences	62	141
	194	169

(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:

	12 months to 31 May 2009 £000	17 months to 31 May 2008 £000
Profit on ordinary activities before tax	589	551
Profit on ordinary activities multiplied by standard rate U.K. corporation tax of 28% (2008: 20%)	165	110
Effects of:		
Tax losses carried forward	-	26
Expenses not deductible for tax purposes	33	28
Capital allowances in excess of depreciation	(25)	(119)
Miscellaneous minor current year adjustments	-	(18)
Marginal Relief	(15)	-
Adjustment in respect of previous period	(26)	1
Current tax charge for period	132	28

(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

	12 months to 31 May 2009 £000	17 months to 31 May 2008 £000
7. Profit attributable to members of the holding company		
Dealt with in the accounts of the holding company	-	-
Dealt with in the accounts of subsidiary companies	<u>395</u>	<u>382</u>
	<u>395</u>	<u>382</u>
	12 months to 31 May 2009 £000	17 months to 31 May 2008 £000
8. Dividends payable on equity shares		
Paid - ordinary shares	<u>150</u>	<u>100</u>

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	Leasehold land and buildings £000	Motor vehicles £000	Plant & equipment £000	Total £000
9: Tangible fixed assets				
Group				
Cost:				
At 1 June 2008	573	2,533	1,149	4,255
Additions	374	496	284	1,154
Disposals	<u>(5)</u>	<u>(95)</u>	<u>(122)</u>	<u>(222)</u>
At 31 May 2009	<u>942</u>	<u>2,934</u>	<u>1,311</u>	<u>5,187</u>
Depreciation:				
At 1 June 2008	484	806	758	2,048
Charge for period	31	397	138	566
Eliminated in respect of disposals	<u>(5)</u>	<u>(76)</u>	<u>(122)</u>	<u>(203)</u>
At 31 May 2009	<u>510</u>	<u>1,127</u>	<u>774</u>	<u>2,411</u>
Net book value:				
At 31 May 2009	<u>432</u>	<u>1,807</u>	<u>537</u>	<u>2,776</u>
At 31 May 2008	<u>89</u>	<u>1,727</u>	<u>391</u>	<u>2,207</u>

The net book value of tangible fixed assets includes an amount of £1,586,635 (2008: £1,507,000) 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 2008 and 31 May 2009	<u>34</u>
 Amounts written off:	
At 1 June 2008 and 31 May 2009	<u>-</u>
<u>Net book value:</u>	
At 31 May 2009	<u>34</u>
At 31 May 2008	<u>34</u>
	Subsidiary companies £000
Company	
<u>Cost:</u>	
At 1 June 2008 and 31 May 2009	<u>2,398</u>
 Amounts written off:	
At 1 June 2008 and 31 May 2009	<u>-</u>
<u>Net book value:</u>	
At 31 May 2009	<u>2,398</u>
At 31 May 2008	<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 (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	
31 May 2009	31 May 2008	31 May 2009	31 May 2008
<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>192</u>	<u>367</u>	<u>192</u>	<u>367</u>
------------	------------	------------	------------

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	Group		Company	
	31 May 2009	31 May 2008	31 May 2009	31 May 2008
	£000	£000	£000	£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	25	25	-	-
Expiring between 2 and 5 years	85	85	-	-
Expiring in 5 years or more	859	295	-	-
	<u>969</u>	<u>405</u>	<u>-</u>	<u>-</u>
Other:				
Expiring within 1 year	31	160	-	-
Expiring between 2 and 5 years	419	377	-	-
Expiring in 5 years or more	29	-	-	-
	<u>479</u>	<u>537</u>	<u>-</u>	<u>-</u>
13. Stocks				
Stocks comprise:				
Fuel & Oil	<u>46</u>	<u>51</u>	<u>-</u>	<u>-</u>
14. Debtors				
Amounts falling due within one year:				
Trade debtors	2,384	3,242	-	-
Prepayments and accrued income	809	737	-	-
Other Debtors	<u>5</u>	<u>5</u>	<u>-</u>	<u>-</u>
	<u>3,198</u>	<u>3,984</u>	<u>-</u>	<u>-</u>

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	Group		Company	
	31 May 2009	31 May 2008	31 May 2009	31 May 2008
	£000	£000	£000	£000
15. Creditors				
Amounts falling due within one year:				
Bank Overdraft	209	155	-	-
Bank loan (see note 16)	65	65	-	-
Lease purchase agreements	364	318	-	-
Payments received on account	100	100	-	-
Trade creditors	986	1,344	-	-
Corporation tax	132	28	-	-
Other taxation and social security payable	383	634	-	-
Other creditors	30	34	-	-
Accruals and deferred income	548	666	-	-
	<u>2,817</u>	<u>3,344</u>	<u>-</u>	<u>-</u>
Amounts falling due after one year:				
Bank loan (see note 16)	-	65	-	-
Lease purchase agreements	984	921	-	-
	<u>984</u>	<u>986</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.

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	31 May 2009 £000	31 May 2008 £000
16. Bank loan and financial commitments		
Group		
Repayable by instalments as follows:		
Due within one year	65	65
Due between one and two years	<u>-</u>	<u>65</u>
	<u>65</u>	<u>130</u>
 Represented by:		
Creditors: amounts falling due within one year	65	65
Creditors: amounts falling due after more than one year	<u>-</u>	<u>65</u>
	<u>65</u>	<u>130</u>

This bank loan commenced on 17 September 2003. This loan bears interest at 1.25% above bank base rate and is secured by a fixed and floating charge over the assets of the group, except for specific assets which are subject to arrangements which prohibit the creation of any encumbrance.

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

	31 May 2009 £000	31 May 2008 £000
17. Deferred taxation		
Group		
Provision at end of period:		
Capital allowances in excess of depreciation	159	134
Unutilised losses carried forward	<u>-</u>	<u>(37)</u>
Deferred tax liability/(asset)	<u>159</u>	<u>97</u>
 Adjustment to provision:		
At start of period	97	(44)
Transfer to profit and loss account for the period (note 6)	<u>62</u>	<u>141</u>
At end of period	<u>159</u>	<u>97</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 28%.

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	31 May 2009 £000	31 May 2008 £000
18. Called-up share capital		
Authorised:		
93,000 ordinary shares of £1 each	93	93
50,000 preferred ordinary shares of £1 each	50	50
950,000 8.5% cumulative redeemable preference shares of £1 each	<u>950</u>	<u>950</u>
	<u>1,093</u>	<u>1,093</u>
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
19. Shareholders' funds					
Group					
At 1 June 2008	93	17	1,000	742	1,852
Profit for the period	-	-	-	395	395
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150)</u>	<u>(150)</u>
At 31 May 2009	<u>93</u>	<u>17</u>	<u>1,000</u>	<u>987</u>	<u>2,097</u>
Company					
At 1 June 2008	93	17	1,000	1,288	2,398
Profit for the period	-	-	-	150	150
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150)</u>	<u>(150)</u>
At 31 May 2009	<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

20. 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 three 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.

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.

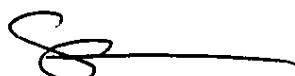
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for 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

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 2009 on pages 4 to 22. 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 Sections 495 and 496 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 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 May 2009 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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.


.....
Mark Lucas (Senior statutory auditor)
for and on behalf of RSM Tenon Audit Limited, Statutory Auditor

Clifton House
Bunnian Place
Basingstoke
Hampshire RG21 7JE

Date: 24 January 2010