

**MEACHERS GROUP INVESTMENTS LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MAY 2019**



Company Registration No: 03121085 (England and Wales)

**MEACHERS GROUP INVESTMENTS LIMITED**  
**Year ended 31 May 2019**

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**MEACHERS GROUP INVESTMENTS LIMITED**  
**Company Information for the year ended 31 May 2019**

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**Directors**

Mr. R.T. Terris	- Chairman
Mr. S.R. Terris	- Managing Director
Mr. J.E. Terris	
Mr. N.S. Fensome	

**Registered Office**

19 Mauretania Road  
Nursling  
Southampton  
Hampshire  
SO16 0YS

**Company Number**

03121085

**Auditor**

RSM UK Audit LLP  
Chartered Accountants  
Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
SO53 3TY

## **MEACHERS GROUP INVESTMENTS LIMITED**

### **Strategic Report for the year ended 31 May 2019**

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#### **Review of the business**

The principal activity of the group continues to be the supply of logistics services.

In accordance with the Companies Act 2006, S414c (11), information in respect of business activities, risk and future developments are shown below.

The results for the group are set out on page 4 of the accounts.

The directors consider the group has again performed well and in line with expectations.

Group turnover increased by 17.2% in the year rising from £26.1m to £30.6m. The operating profit percentage increased marginally from 7.5% to 7.8%, but this still remains below the 2017 level.

This significant increase in activity was achieved with an increased number of staff and agency labour. Employee numbers increased by 4% and the group cost of agency staff increased by 44.9% on the prior year continuing to highlight the difficult market conditions being experienced in recruiting permanent HGV drivers.

The directors continued their policy of reinvesting in the business with the group's net worth rising by 18% from £5.9m to £7m. A further £1.9m was invested in new equipment in the year to facilitate the directors' desire to continue to run a modern efficient operation.

#### **Financial risk management**

The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related financial costs.

The group makes little use of financial instruments other than an operational bank account, a bank loan, hire purchase and contract hire agreements. All of these bear interest at a market competitive rate.

The group credit risk is managed through a combination of obtaining credit checks on potential customers and maintaining credit limits for existing customers which are reviewed periodically.

The group's cash position is monitored on a daily basis and the short term future liquidity requirements are regularly reviewed.

Detailed management accounts incorporating the key performance indicators are produced and reviewed during the monthly Board Meetings and a rolling group forecast is also presented and monitored.

As a result the exposure to price risk, credit risk, liquidity risk and cash flow risk is not considered to be material for the assessment of the assets, liabilities, financial position and profit of the group.

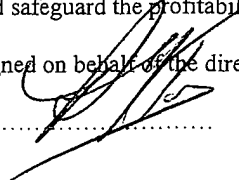
#### **Future Developments**

The directors are looking for the group's recent performance, and the development of the group, to continue. The directors will look to achieve this through organic growth, adding additional contracted business within the core activities of warehousing, freight forwarding and UK distribution.

The directors recognise that, as in previous years there remain a number of potential areas of concern that could impact future profitability. The uncertainty surrounding Brexit, and its implications for the UK's Logistics industry as a whole is perhaps the key issue with speculation continuing regarding the likely impact on trade, border controls, legal implications and the operating costs for businesses.

There appears to be no imminent solution to the rising employment costs relating particularly to skills shortages and legislation changes. Volatility in the price of fuel remains a concern, although fuel surcharge clauses continue to be included in all new and existing transport contracts to minimise the impact of significant movements in the price of fuel and safeguard the profitability in our pricing framework.

Signed on behalf of the directors

.....  
  
R. T. Terris, Director

Approved by the directors on 3<sup>rd</sup> September 2019

**MEACHERS GROUP INVESTMENTS LIMITED**  
**Report of the directors for the year ended 31 May 2019**

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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 2019.

**Directors**

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

Mr. R.T. Terris	- Chairman	Mr J.E. Terris
Mr. S.R. Terris	- Managing Director	Mr. N.S. Fensome

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

**Dividends**

Dividends totalling £700,000 were paid during the year.

**Post Balance Sheet Events**

There are no reportable post balance sheet events.

**Auditors**

RSM UK Audit LLP are deemed to be re-appointed as auditor in accordance with section 487(2) of the Companies Act 2006.

**Qualifying Third Party Indemnity Provision and Pension Scheme Indemnity Provision**

A qualifying third party indemnity provision and qualifying pension scheme indemnity provision were in force during the entirety of the financial year for the benefit of the current directors.

**Strategic Report**

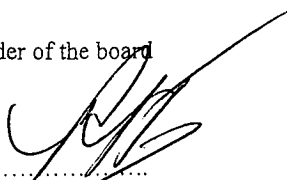
The directors have chosen in accordance with section 414C (11) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' Report as the directors consider these are of strategic importance to the company.

**Statement of disclosures to auditor**

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.

By order of the board



.....  
R. T. Terris  
Director

3<sup>rd</sup> September 2019  
Registered Office:  
Unit 19, Mauretania Road  
Nursling Industrial Estate  
Southampton  
Hampshire SO16 0YS

Registered in England No. 03121085

## MEACHERS GROUP INVESTMENTS LIMITED

### Consolidated Statement of Comprehensive Income for the year ended 31 May 2019

	Notes	2019 £000	2018 £000
Turnover	1(c), 2	30,624	26,138
Cost of sales		<u>(24,871)</u>	<u>(21,163)</u>
Gross profit		5,753	4,975
Other operating income	3	48	42
Administrative expenses	4	<u>(3,411)</u>	<u>(3,052)</u>
Operating profit		2,390	1,965
Fair value gains and losses on investment properties		(121)	-
Interest receivable and similar income	5	4	3
Interest payable and similar charges	6	<u>(65)</u>	<u>(73)</u>
Profit on ordinary activities before taxation	7	2,208	1,895
Taxation	9	<u>(428)</u>	<u>(380)</u>
Profit and total comprehensive income for the year attributable to owners		<u>1,780</u>	<u>1,515</u>

All amounts relate to continuing operations.

# MEACHERS GROUP INVESTMENTS LIMITED


Company Number: 03121085

Consolidated Statement of Financial Position at 31 May 2019

		Group		Company	
	Notes	2019 £000	2018 £000	2019 £000	2018 £000
Fixed assets					
Tangible assets	11	3,435	2,723	-	-
Investment properties	12	1,750	1,871	-	-
Investments	13	<u>14</u>	<u>14</u>	<u>2,398</u>	<u>2,398</u>
		5,199	4,608	2,398	2,398
Current assets					
Stocks	16	57	59	-	-
Debtors	17	7,150	5,996	-	-
Cash at bank and in hand		<u>2,163</u>	<u>2,736</u>	<u>-</u>	<u>-</u>
		9,370	8,791	-	-
Current liabilities					
Creditors: amounts falling due within one year	18	<u>(5,585)</u>	<u>(6,288)</u>	<u>-</u>	<u>-</u>
Net current assets		<u>3,785</u>	<u>2,503</u>	<u>-</u>	<u>-</u>
Total assets less current liabilities		8,984	7,111	2,398	2,398
Creditors: amounts falling due after more than one year	18	(1,684)	(918)	-	-
Provisions for liabilities and charges	19	<u>(281)</u>	<u>(254)</u>	<u>-</u>	<u>-</u>
Net assets		<u>7,019</u>	<u>5,939</u>	<u>2,398</u>	<u>2,398</u>
Capital and reserves					
Called-up share capital	20	56	56	56	56
Share premium account	21	17	17	17	17
Capital redemption reserve	21	1,037	1,037	1,037	1,037
Profit and loss account	21	<u>5,909</u>	<u>4,829</u>	<u>1,288</u>	<u>1,288</u>
Total equity attributable to the owners of the parent		<u>7,019</u>	<u>5,939</u>	<u>2,398</u>	<u>2,398</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year and total comprehensive income for the year were £700,000 (2018: £700,000).

These financial statements on page 4 to 27 were approved by the directors and authorised for issue on 3<sup>rd</sup> September 2019 and are signed on their behalf by:

  
 R. T. Terris.  
 Director.

## MEACHERS GROUP INVESTMENTS LIMITED

### Consolidated Statement of Changes in Equity for the year ended 31 May 2019

	Ordinary share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Equity shareholders' funds £000
<b>Shareholders' funds</b>					
<b>Group</b>					
At 1 June 2017	56	17	1,037	4,014	5,124
Profit and total comprehensive income for the year	-	-	-	1,515	1,515
Total transactions with owners:					
Dividends	-	-	-	(700)	(700)
At 31 May 2018	56	17	1,037	4,829	5,939
 At 1 June 2018	56	17	1,037	4,829	5,939
Profit and total comprehensive income for the year	-	-	-	1,780	1,780
Total transactions with owners:					
Dividends	-	-	-	(700)	(700)
At 31 May 2019	56	17	1,037	5,909	7,019



## MEACHERS GROUP INVESTMENTS LIMITED

### Company Statement of Changes in Equity for the year ended 31 May 2019

	Ordinary share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Equity shareholders' funds £000
<b>Shareholders' funds</b>					
<b>Company</b>					
At 1 June 2017	56	17	1,037	1,288	2,398
Profit and total comprehensive income for the year	-	-	-	700	700
Total transactions with owners:					
Dividends	-	-	-	(700)	(700)
At 31 May 2018	56	17	1,037	1,288	2,398
 At 1 June 2018	56	17	1,037	1,288	2,398
Profit and total comprehensive income for the year	-	-	-	700	700
Total transactions with owners:					
Dividends	-	-	-	(700)	(700)
At 31 May 2019	56	17	1,037	1,288	2,398

## MEACHERS GROUP INVESTMENTS LIMITED

### Consolidated Cash Flow Statement for the year ended 31 May 2019

	2019 £000	2018 £000
Operating activities		
Cash generated from operations	<u>1,672</u>	<u>4,426</u>
Interest paid	(66)	(74)
Corporation tax paid	<u>(369)</u>	<u>(434)</u>
Net cash generated from operations	<u>1,237</u>	<u>3,918</u>
Investing activities		
Purchase of tangible fixed assets	(234)	(782)
Sale of tangible fixed assets	297	200
Interest received	<u>4</u>	<u>3</u>
Net cash used in investing activities	67	(579)
Financing activities		
Dividends paid	(700)	(700)
Repayment of bank loan	(245)	(239)
Lease Purchase - capital paid	(764)	(768)
- initial payments	<u>(168)</u>	<u>(85)</u>
Net cash used in financing activities	<u>(1,877)</u>	<u>(1,792)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(573)</u>	<u>1,547</u>
Cash and cash equivalents at beginning of year	<u>2,736</u>	<u>1,189</u>
Cash and cash equivalents at end of year	<u>2,163</u>	<u>2,736</u>
Relating to:		
Bank balances and short term deposits included in cash at bank and in hand	<u>2,163</u>	<u>2,736</u>

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## MEACHERS GROUP INVESTMENTS LIMITED

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### Reconciliation of Profit after Tax to Cash Generated from Operations

	2019 £000	2018 £000
Profit after tax	1,780	1,515
Adjustments for:		
Depreciation charges	952	977
(Profit) / Loss on sale of fixed assets	(49)	27
Taxation	428	380
Net fair value losses on investment properties	121	-
Interest receivable	(4)	(3)
Interest payable	65	73
Operating cash flows before movements in working capital	3,293	2,969
Decrease in stocks	2	8
(Increase) / Decrease in debtors	(1,154)	346
(Decrease) / Increase in creditors and provisions	(469)	1,103
Cash generated from operations	1,672	4,426

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## MEACHERS GROUP INVESTMENTS LIMITED

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### Notes to the Accounts

#### 1. Principal accounting policies

##### (a) General Information

Meachers Group Investments Limited ("the Company") is a company limited by shares and domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is 19 Mauretania Road, Nursling Industrial Estate, Nursling, Southampton, SO16 0YS.

The Group consists of Meachers Group Investments Ltd and all of its subsidiaries.

The Company's and the Group's principal activity is the supply of logistics services.

##### (b) Basis of accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise stated. The consolidated financial statements are presented in sterling which is also the functional currency of the company.

##### (c) Turnover

Turnover, which arises from one class of business, is recognised at the fair value of the consideration receivable for services provided and goods supplied, excluding value added tax. Turnover is recognised as services are provided.

##### (d) Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense.

Current tax is based on taxable profits for the period computed in accordance with current tax legislation. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which the asset or liability is settled based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is not discounted.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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## MEACHERS GROUP INVESTMENTS LIMITED

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### Notes to the Accounts

(e) **Going concern**

The directors have at the time of approving the financial statements, a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

(f) **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 on all tangible fixed assets other than investment property 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	- 15 - 50% as appropriate

(g) **Investment properties**

Investment properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available. The fair value of land and buildings is considered to be their market value.

Material changes in fair value are recognised in profit or loss.

(h) **Stocks**

Stocks are 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.

(i) **Financial instruments**

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Financial assets**

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

Trade and other debtors, including accrued income, which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at the amortised cost, being the transaction price less any amounts settled and any impairment losses.

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## MEACHERS GROUP INVESTMENTS LIMITED

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### Notes to the Accounts

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

#### Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Trade and other creditors, including accruals, payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

#### Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

#### Own shares

The fair value of consideration given for shares repurchased by the Company is deducted from equity.

#### Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

#### Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

(j)

#### Basis of consolidation

The consolidated financial statements incorporate those of Meachers Group Investments Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 May 2019.

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## MEACHERS GROUP INVESTMENTS LIMITED

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### Notes to the Accounts

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

(k) **Pension arrangements**

The group contributes to a defined contribution pension scheme. Employer pension contributions are charged to the profit and loss account as incurred. See also note 22.

(l) **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.

(m) **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.

(n) **Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairments losses are recognised immediately in profit or loss.

(o) **Reduced disclosure**

The company has taken advantage of the exemption from disclosing the following information in its company only accounts, as permitted by the reduced disclosure regime within FRS 102:

Section 7 "Statement of Cash Flows" – Presentation of a Statement of Cash Flow and related notes and disclosures;

Section 11 "Basic Financial Instruments" & Section 12 "Other Financial Instrument Issues" – Carrying amounts for financial instruments measured at amortised cost or cost less impairment; interest income/expense and net gains/losses for financial instruments measured at amortised cost; loan defaults or breaches, and descriptions of hedging relationships.

Section 33 "Related Party Disclosure" – Compensation for key management personnel.

## **MEACHERS GROUP INVESTMENTS LIMITED**

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### **Notes to the Accounts**

**(p) Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future..

The resulting accounting estimates and assumptions will by definition seldom equal the related actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



## MEACHERS GROUP INVESTMENTS LIMITED

### Notes to the Accounts

	2019 £000	2018 £000
<b>2. Turnover</b>		
An analysis of the geographical location of the Group's turnover is as follows:		
UK	28,963	24,830
Rest of the world	<u>1,661</u>	<u>1,308</u>
	<u>30,624</u>	<u>26,138</u>
	2019 £000	2018 £000
<b>3. Other operating income</b>		
Rental income from investment properties	<u>48</u>	<u>42</u>
	2019 £000	2018 £000
<b>4. Administrative expenses</b>		
Distribution and selling costs	1,345	1,362
Administration expenses	<u>2,066</u>	<u>1,690</u>
	<u>3,411</u>	<u>3,052</u>
	2019 £000	2018 £000
<b>5. Interest receivable and similar income</b>		
Interest on bank deposits	2	1
Other interest receivable	<u>2</u>	<u>2</u>
	<u>4</u>	<u>3</u>

## MEACHERS GROUP INVESTMENTS LIMITED

### Notes to the Accounts

	2019 £000	2018 £000
<b>6. Interest payable and similar charges</b>		
Interest payable on lease purchase agreements	52	55
Other interest payable	13	18
	<u>65</u>	<u>73</u>

	2019 £000	2018 £000
<b>7. Profit on ordinary activities before taxation</b>		
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Operating lease charges		
- plant and equipment	488	365
- land and buildings	1,430	1,419
Depreciation of and amounts written off fixed assets:		
Charge for period		
- tangible fixed assets	238	267
- tangible fixed assets under lease purchase agreements	714	710
- (profit) / loss on disposal of fixed assets	(49)	27
Auditors' remuneration		
- for audit	26	25
Other operating income		
- property rental income	(48)	(42)

# MEACHERS GROUP INVESTMENTS LIMITED

## Notes to the Accounts

	2019 £000	2018 £000
<b>8. Employees</b>		
Staff costs during the year:		
Wages and salaries	5,929	5,285
Social security costs	631	613
Other pension costs	189	186
	<u>6,749</u>	<u>6,084</u>

The average number of persons employed by the Group each week during the year was:

	2019 Number	2018 Number
Operations	130	126
Administration	28	26
	<u>158</u>	<u>152</u>

	2019 £000	2018 £000
Directors remuneration:		
Aggregate emoluments	<u>1,142</u>	<u>921</u>
Highest paid director:		
Aggregate emoluments	<u>374</u>	<u>288</u>

Retirement benefits are accruing to three directors (2018: three) under money purchase pension schemes.

Remuneration for key management personnel having authority and responsibility for planning, directing and controlling the activity of the group amounted to £1,772,860 (2018 £1,463,639).

## MEACHERS GROUP INVESTMENTS LIMITED

### Notes to the Accounts

	2019 £000	2018 £000
<b>9. Tax on profit on ordinary activities</b>		
(a) Analysis of charge for the period		
U.K. corporation tax at 19.00% (2018: 19.00%)		
Current tax:		
U.K. corporation tax on profits of the period	419	374
Deferred tax:		
Origination and reversal of timing differences	39	6
Capital losses	(30)	-
Total deferred tax charge	9	6
Total tax on profit on ordinary activities	428	380

(b) Factors affecting the tax charge for the period

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

	2019 £000	2018 £000
Profit on ordinary activities before tax	2,208	1,895
Profit on ordinary activities multiplied by standard rate U.K. corporation tax of 19.00% (2018: 19.00%)	420	360
Effects of:		
Expenses not deductible for tax purposes	42	19
Fixed asset differences	1	2
Chargeable losses	(34)	-
Adjustment to opening deferred tax rate	13	12
Adjustment to closing deferred tax rate	(14)	(13)
Tax expense	428	380

(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.

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## MEACHERS GROUP INVESTMENTS LIMITED

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### Notes to the Accounts

	2019 £000	2018 £000
10. Dividends payable on equity shares		
Dividends Paid - Ordinary shares	<u>700</u>	<u>700</u>

# MEACHERS GROUP INVESTMENTS LIMITED

## Notes to the Accounts

	Leasehold land and buildings £000	Motor vehicles £000	Plant & equipment £000	Total £000
<b>11. Tangible fixed assets</b>				
<b>Group and Company</b>				
Valuation or cost:				
At 1 June 2018	1,097	5,259	1,556	7,912
Additions	10	1,840	62	1,912
Disposals	<u>-</u>	<u>(1,457)</u>	<u>(13)</u>	<u>(1,470)</u>
At 31 May 2019	<u>1,107</u>	<u>5,642</u>	<u>1,605</u>	<u>8,354</u>
Depreciation:				
At 1 June 2018	1,013	2,736	1,440	5,189
Charge for year	17	884	51	952
Eliminated in respect of disposals	<u>-</u>	<u>(1,209)</u>	<u>(13)</u>	<u>(1,222)</u>
At 31 May 2019	<u>1,030</u>	<u>2,411</u>	<u>1,478</u>	<u>4,919</u>
Net book value:				
At 31 May 2019	<u>77</u>	<u>3,231</u>	<u>127</u>	<u>3,435</u>
At 31 May 2018	<u>84</u>	<u>2,523</u>	<u>116</u>	<u>2,723</u>

The net book value of tangible fixed assets includes an amount of £2,845,008 (2018: £2,215,403) in respect of assets held under lease purchase agreements.

Leasehold properties are held on short leases.

## MEACHERS GROUP INVESTMENTS LIMITED

### Notes to the Accounts

	Freehold investment property £000
<b>12. Investment Properties</b>	
<b>Group and company</b>	
Valuation or cost:	
At 1 June 2018	1,871
Additions	-
Revaluations	(121)
Disposals	-
At 31 May 2019	<u>1,750</u>
 Net book value:	
At 31 May 2019	<u>1,750</u>
At 31 May 2018	<u>1,871</u>

Investment property comprises freehold land and buildings. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 May 2019 by Trinity Rose Chartered Surveyors who are not connected with the company. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts that would have been included are as follows:

	2019 £000	2018 £000
Cost	1,871	1,871
Accumulated depreciation	-	-
Impairment	<u>(229)</u>	<u>-</u>
	<u>1,642</u>	<u>1,871</u>

## **MEACHERS GROUP INVESTMENTS LIMITED**

### **Notes to the Accounts**

	<u>Other investments £000</u>
<b>13. Fixed asset investments</b>	
<b>Group</b>	
Cost:	
At 1 June 2018 and 31 May 2019	<u>14</u>
Amounts written off:	
At 1 June 2018 and 31 May 2019	<u>-</u>
Net book value:	
At 31 May 2019	<u>14</u>
At 31 May 2018	<u>14</u>

The net book value of fixed asset investments relates to eight cherished number plates owned by the company.

	<u>Subsidiary companies £000</u>
<b>Company</b>	
Cost:	
At 1 June 2018 and 31 May 2019	<u>2,398</u>
Amounts written off:	
At 1 June 2018 and 31 May 2019	<u>-</u>
Net book value:	
At 31 May 2019	<u>2,398</u>
At 31 May 2018	<u>2,398</u>



## MEACHERS GROUP INVESTMENTS LIMITED

### Notes to the Accounts

#### 13. 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>Status</u>	<u>Proportion held</u>
Subsidiary companies:		
Meachers Global Logistics Limited	Trading	100%
Write Law Limited	Dormant	100%
Oast (Agencies) Limited	Dormant	100%
Southampton Road Transport Limited	Dormant	100%

The registered office address for each of the subsidiary companies is Unit 19 Mauretania Road, Nursling Industrial Estate, Southampton, SO16 0YS.

The capital of each of the subsidiary companies above comprises ordinary shares only. All of the above companies are included in the consolidation. These investments are held via Meachers Global Logistics Ltd.

The dormant subsidiary companies have taken the exemption in Section 480 of the Companies Act 2006 from the requirement in the Act for their individual accounts to be audited.

Group		Company	
2019	2018	2019	2018
<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>

#### 14. Capital commitments

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

<u>870</u>	<u>400</u>	<u>870</u>	<u>400</u>
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# MEACHERS GROUP INVESTMENTS LIMITED

## Notes to the Accounts

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000

### 15. Commitments under operating leases

At the end of the period the Group's total future minimum lease payments under non-cancellable operating leases as follows:

Land and buildings:

Amounts due within one year	1,643	1,234	-	-
Amounts due between one and five years	3,400	3,270	-	-
Amounts due in five years or more	617	1,008	-	-
	<u>5,660</u>	<u>5,512</u>	<u>-</u>	<u>-</u>

Other:

Amounts due within one year	181	107	-	-
Amounts due between one and five years	107	114	-	-
Amounts due in five years or more	-	-	-	-
	<u>288</u>	<u>221</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000

### 16. Stocks

Stocks comprise:

Fuel & Tyres	<u>57</u>	<u>59</u>	<u>-</u>	<u>-</u>
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	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000

### 17. Debtors

Amounts falling due within one year:

Trade Debtors	5,737	4,718	-	-
Prepayments and accrued income	1,376	1,241	-	-
Other Debtors	37	37	-	-
	<u>7,150</u>	<u>5,996</u>	<u>-</u>	<u>-</u>

## MEACHERS GROUP INVESTMENTS LIMITED

### Notes to the Accounts

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
<b>18. Creditors</b>				
Amounts falling due within one year:				
Lease purchase agreements	688	708	-	-
Bank loans	275	520	-	-
Payments received on account	100	100	-	-
Trade creditors	2,197	2,164	-	-
Corporation tax	209	159	-	-
Other taxation and social security payable	620	1,229	-	-
Other creditors	3	2	-	-
Accruals and deferred income	<u>1,493</u>	<u>1,406</u>	<u>-</u>	<u>-</u>
	<u>5,585</u>	<u>6,288</u>	<u>-</u>	<u>-</u>

The payment on account represents a customer deposit held in respect of a guarantee in the company name dated 24<sup>th</sup> December 2001 in favour of HM Revenue and Customs.

A five year bank loan commenced on 22<sup>nd</sup> June 2015. The loan bears interest at a fixed rate above the Bank of England interest base rate and is repaid monthly. The lender reserves the right under the agreement to demand the immediate repayment of the loan and therefore the total amount repayable is treated as being due within one year.

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Amounts falling due after one year:				
Lease purchase agreements	<u>1,684</u>	<u>918</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

	Dilapidations provision	Deferred Tax	Total
	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b>19. Provisions for liabilities and charges</b>			
At 1 June 2018	146	108	254
Additional provision in the year	<u>18</u>	<u>9</u>	<u>27</u>
At 31 May 2019	<u>164</u>	<u>117</u>	<u>281</u>

The dilapidations provision relates to leasehold properties and arises out of a requirement to restore property to a specified condition at the end of a lease. Provisions for dilapidations are recognised on a lease by lease basis and are based on the best estimate of likely committed cash outflow.

	<u>2019 £000</u>	<u>2018 £000</u>
<b>Deferred tax</b>		
<b>Group</b>		
Provision at end of period:		
Capital allowances in excess of depreciation	147	108
Capital Losses	<u>(30)</u>	<u>-</u>
Deferred tax liability	<u>117</u>	<u>108</u>
Adjustment to provision:		
At start of period	108	102
Transfer to profit and loss account for the period (note 9)	<u>9</u>	<u>6</u>
At end of period	<u>117</u>	<u>108</u>
	<u>2019 £000</u>	<u>2018 £000</u>
<b>20. Called-up share capital</b>		
Allotted, called up and fully paid:		
55,714 ordinary shares of £1 each	<u>56</u>	<u>56</u>

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

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## MEACHERS GROUP INVESTMENTS LIMITED

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### Notes to the Accounts

#### 21. Reserves

Reserves of the Group and Company represent the following:

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Capital redemption reserve

Non-distributable reserve representing the company's shares that have been redeemed or purchased wholly out of company's profits.

#### 22. Pension arrangements

The group contributes to a company sponsored money purchase group personal pension scheme for eligible employees who choose to participate. 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 8.

#### 23. Related Party Transactions

During the year dividends of £700,000 were paid to directors.

#### 24. 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

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### DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report, Strategic 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 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.

By order of the board



R.T.Terris

Director

## **MEACHERS GROUP INVESTMENTS LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEACHERS GROUP INVESTMENTS LIMITED AND SUBSIDIARY COMPANIES**

#### **Opinion**

We have audited the financial statements of Meachers Group Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the

## **MEACHERS GROUP INVESTMENTS LIMITED**

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work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 28, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



## MEACHERS GROUP INVESTMENTS LIMITED

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Paul Anthony* Audit CEP

Paul Anthony (Senior Statutory Auditor)  
for and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Highfield Court  
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Date: 3 September 2019