

MEACHERS GROUP INVESTMENTS LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2023**

Company Registration No: 03121085 (England and Wales)

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MEACHERS GROUP INVESTMENTS LIMITED
Year ended 31 May 2023

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MEACHERS GROUP INVESTMENTS LIMITED
Company Information for the year ended 31 May 2023

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 2023

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 6 of the accounts.

Overall the directors consider the group has performed well over the last 12 months. Group turnover decreased by 17.1% in the year falling from £55.3m to £45.8m with the operating profit percentage increasing marginally from 9.0% to 9.5%. However as reported last year, in the prior year results we had undertaken a considerable activity that was associated entirely with the pandemic and as expected there was minimal activity on this account in the current financial year. Excluding this contract from the prior year, turnover from the remaining activity increased by £4m.

The directors continued their policy of reinvesting in the business with the group's total net worth rising by 12.6% from £12,130,000 to £13,663,000. Over £1.9m was invested in new equipment in the year and the company is committed to spending a further £2.1m in the next financial year on new vehicles to ensure the fleet meets the highest safety and environmental standards possible and to bring a wider range of services to customers.

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, 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 confident about the future and continue to look at opportunities for growth both organically and through acquisition if suitable opportunities arise. However, the directors remain aware that the uncertain economic climate and consistently low growth and productivity projections will produce a number of challenges for the group and could impact future profitability.

In addition, there is upward price pressure on operating costs in a number of areas of the business. We are continuing to see the rising cost of commercial rents locally and will begin to see the significant impact, on the warehouse division in particular, of the full revaluation of business rates that was implemented from April 2023. Energy costs remain high and the capital cost of replacement equipment, which has soared in the last 12 months, looks set to continue.

Issues still remain surrounding the supply of HGV labour and although the problem has been alleviated in the short term by raising employment costs and the economic slowdown, the longer term impact on the group will depend on the continued success of both the training and recruitment schemes the group implemented and government policy designed to tackle the shortages.

MEACHERS GROUP INVESTMENTS LIMITED

Strategic Report for the year ended 31 May 2023

Section 172 (1) statement

The directors are aware of their duty to act in a way that promotes the success of the group for the benefits of its members as a whole, in accordance with the Companies (Miscellaneous Reporting) Regulations 2018, whilst having regard to the matters set out in Section 172 (1) of the Companies Act.

The group remains a family owned business with all shareholders actively involved in the running of the business. Their long term objective is to continue to grow the business organically and through acquisition if suitable opportunities arise, while strengthening the group's financial position and cash reserves. The long term consequences of decisions are considered with this overall goal in mind.

The directors strive to ensure that employees are treated fairly and that the group is an equal opportunities employer. We are committed to promoting equality for all staff and job applicants and the principles of non-discrimination and equality of opportunity also apply to the way in which staff are expected to treat visitors, clients, customers, suppliers and former staff members. The directors ensured that investment in training and personal development was maintained in the current year with courses provided ranging from Driver CPC, MHE, finance and marketing.

The directors believe developing business relationships with customers, suppliers and others is key to promoting the success of the business. The directors encourage the building of long term relationships with customers and the supply chain, maintaining it is key to producing consistent service levels. Group directors are active members of a number of the leading recognised industry bodies for the transport and freight forwarding sectors, with a group director on the Board of the leading trade organisation for the warehouse sector (UKWA). The same director is on the Board of the Global Freight Group, an alliance of independently owned global freight and logistics businesses providing customers with an extended network of approved suppliers.

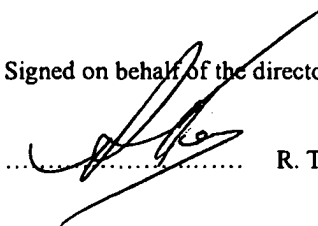
The directors understand that the group has a responsibility to the environment. Whilst the nature of our industry has a significant impact on the environment, the directors are intent on minimising this impact where economically viable. The biggest factor for the group is diesel emissions and this is targeted by directing significant investment towards our fleet replacement policy for HGV's and through driver training initiatives. In this financial year we have set up an Environment Sustainability Group and, although in its infancy, with the introduction of the carbon reporting analysis as a focus, they will be supported by the Board to investigate and develop environmentally friendly initiatives.

The directors recognise the group has a role in the community and the group supports numerous local charities and sports teams through donations, and hosting and attending charity events. The main beneficiary this year has been the Saints Foundation whose purpose is to provide life-changing opportunities to people in need throughout Southampton. The group also supports Business South both financially and by providing a member for their Board. Business South work towards growing the economy of the Central South area through promoting the region to attract investment, development and talent and through supporting Start Ups and young businesses.

The directors strive to maintain a reputation for high standards of business conduct with emphasis placed on quality, honesty and reliability. The business holds the quality management standard ISO 9001:2015 certification with BSI and is a fully certified Authorised Economic Operator (AEO) with full accreditation covering both customs simplification and safety and security standards. Board members are directly involved with the accreditation process, with both accreditations encouraging continual best practice. The directors have ensured their ethical standard on fraud, corruption and bribery is communicated to all employees.

All shareholders are active members of the Board and the directors recognise the need to act fairly between the stakeholders and consider the impact on all groups when making strategic decisions for the benefit of the group. This includes the policy on dividends and the retention of profits with the aim of providing stability for all parties and minimising the need for external funding while sustaining long term growth by continuing to reinvest heavily in people and equipment.

Signed on behalf of the directors



R. T. Terris, Chairman

Approved by the directors on 29th September 2023

MEACHERS GROUP INVESTMENTS LIMITED

Report of the directors for the year ended 31 May 2023

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 2023.

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

A dividend totalling £2,000,000 was voted during the year.

Greenhouse Gas Emissions and Carbon Reporting

In accordance with the group's reporting requirements under the UK Government Streamlined Energy and Carbon Reporting (SECR) legislation, the table below details all of the Scope 1 and 2 carbon emissions for the year ended 31st May 2023. Comparative figures have not been provided as this is the first year the company has been required to report this information.

	Carbon Emissions (tCO ₂ e)	Energy (kWh)
Commercial haulage emissions	5270.1	21,996,152
Business travel	0.7	5,405
Gas and heating oil purchased for group's own use	62.4	360,615
Electricity purchased for the group's own use	<u>101.2</u>	<u>507,954</u>
Total Scope 1 and 2 emissions	<u>5434.4</u>	<u>22,870,126</u>

Intensity metrics

tCO ₂ e per employee	26.3
tCO ₂ e per £m turnover	118.6

Methodologies for emissions calculations

The group has used an external provider who generated the emissions report from financial data supplied by the group. The report was produced using the Environmental Reporting Guidelines, including SECR guidance, issued by the UK Government in 2019. The emissions have been converted to tCO₂e using the conversion factors published by BEIS/DEFRA for the relevant period. Electricity emissions are given as "Location-based" using the UK National average.

Principal measures taken to increase energy efficiency

The group's replacement policy for HGV's ensures we run an up to date fleet using the most efficient vehicles available for the work undertaken.

The group has been proactive in their replacement policies in moving away from diesel cars and warehouse material handling equipment to hybrid and electric alternatives. Electric charging points have been installed onsite with more planned.

The group has continued to promote the use of technology to minimise business travel.

MEACHERS GROUP INVESTMENTS LIMITED
Report of the directors for the year ended 31 May 2023

Post Balance Sheet Events

There were 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

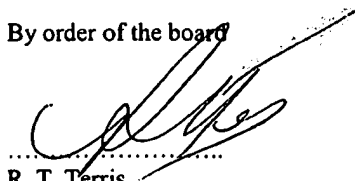
The directors have chosen in accordance with section 414C (11) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' Report as the directors consider these are of strategic importance to the company.

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
Chairman

29th September 2023
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 2023

	Notes	2023 £000	2022 £000
Turnover	1(c), 2	45,833	55,283
Cost of sales		<u>(36,631)</u>	<u>(43,437)</u>
Gross profit		9,202	11,846
Other operating income	3	57	71
Administrative expenses	4	<u>(4,903)</u>	<u>(6,929)</u>
Operating profit		4,356	4,988
Fair value gains and losses on investment properties		100	95
Interest receivable and similar income	5	103	4
Interest payable and similar charges	6	<u>(75)</u>	<u>(87)</u>
Profit on ordinary activities before taxation	7	4,484	5,000
Taxation	9	<u>(951)</u>	<u>(978)</u>
Profit and total comprehensive income for the year attributable to owners		<u>3,533</u>	<u>4,022</u>

All amounts relate to continuing operations.

MEACHERS GROUP INVESTMENTS LIMITED


Company Number: 03121085

Consolidated Statement of Financial Position at 31 May 2023

		Group		Company	
	Notes	2023 £000	2022 £000	2023 £000	2022 £000
Fixed assets					
Intangible assets	11	737	1,006	-	-
Tangible assets	12	4,502	4,352	-	-
Investment properties	13	2,025	1,925	-	-
Investments	14	18	18	2,398	2,398
		7,282	7,301	2,398	2,398
Current assets					
Stocks	17	129	180	-	-
Debtors	18	7,176	9,742	-	-
Cash at bank and in hand		7,764	6,081	-	-
		15,069	16,003	-	-
Current liabilities					
Creditors: amounts falling due within one year	19	(6,454)	(8,615)	-	-
Net current assets		8,615	7,388	-	-
Total assets less current liabilities		15,897	14,689	2,398	2,398
Creditors: amounts falling due after more than one year	19	(907)	(1,493)	-	-
Provisions for liabilities and charges	20	(1,327)	(1,066)	-	-
Net assets		13,663	12,130	2,398	2,398
Capital and reserves					
Called-up share capital	21	56	56	56	56
Share premium account	22	17	17	17	17
Capital redemption reserve	22	1,037	1,037	1,037	1,037
Profit and loss account	22	12,553	11,020	1,288	1,288
Total equity attributable to the owners of the parent		13,663	12,130	2,398	2,398

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 £2,000,000 (2022: £1,500,000).

These financial statements on page 6 to 29 were approved by the directors and authorised for issue on 29th September 2023 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 2023

	Ordinary share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Equity shareholders' funds £000
Shareholders' funds					
Group					
At 1 June 2021	56	17	1,037	8,498	9,608
Profit and total comprehensive income for the year	-	-	-	4,022	4,022
Total transactions with owners:					
Dividends	-	-	-	(1,500)	(1,500)
At 31 May 2022	56	17	1,037	11,020	12,130
At 1 June 2022	56	17	1,037	11,020	12,130
Profit and total comprehensive income for the year	-	-	-	3,533	3,533
Total transactions with owners:					
Dividends	-	-	-	(2,000)	(2,000)
At 31 May 2023	56	17	1,037	12,553	13,663

MEACHERS GROUP INVESTMENTS LIMITED

Company Statement of Changes in Equity for the year ended 31 May 2023

	Ordinary share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Equity shareholders' funds £000
Shareholders' funds					
Company					
At 1 June 2021	56	17	1,037	1,288	2,398
Profit and total comprehensive income for the year	-	-	-	1,500	1,500
Total transactions with owners:					
Dividends	-	-	-	(1,500)	(1,500)
At 31 May 2022	56	17	1,037	1,288	2,398
At 1 June 2022	56	17	1,037	1,288	2,398
Profit and total comprehensive income for the year	-	-	-	2,000	2,000
Total transactions with owners:					
Dividends	-	-	-	(2,000)	(2,000)
At 31 May 2023	56	17	1,037	1,288	2,398

MEACHERS GROUP INVESTMENTS LIMITED

Consolidated Cash Flow Statement for the year ended 31 May 2023

	2023 £000	2022 £000
Operating activities		
Cash generated from operations	6,432	5,419
Interest paid	(79)	(94)
Corporation tax paid	(594)	(995)
Net cash generated from operations	5,759	4,330
Investing activities		
Purchase of tangible fixed assets	(1,659)	(1,037)
Sale of tangible fixed assets	481	337
Interest received	100	4
Net cash used in investing activities	(1,078)	(696)
Financing activities		
Dividends paid	(2,000)	(1,500)
Repayment of bank loan	-	(200)
Lease Purchase - capital paid	(973)	(1,131)
- initial payments	(25)	(77)
Net cash used in financing activities	(2,998)	(2,908)
Net increase in cash and cash equivalents	1,683	726
Cash and cash equivalents at beginning of year	6,081	5,355
Cash and cash equivalents at end of year	7,764	6,081
Relating to:		
Bank balances and short term deposits included in cash at bank and in hand	7,764	6,081

MEACHERS GROUP INVESTMENTS LIMITED

Reconciliation of Profit after Tax to Cash Generated from Operations

	2023 £000	2022 £000
Profit after tax	3,533	4,022
Adjustments for:		
Depreciation charges	1,360	1,354
Amortisation charges	269	268
Profit on sale of fixed assets	(81)	(181)
Taxation	951	978
Fair value gains on investment properties	(100)	(95)
Interest receivable	(103)	(4)
Interest payable	75	87
Operating cash flows before movements in working capital	5,904	6,429
Decrease/(Increase) in stocks	51	(74)
Decrease/(Increase) in debtors	2,569	(1,093)
(Decrease)/Increase in creditors and provisions	(2,092)	157
Cash generated from operations	6,432	5,419

Analysis of Changes in Net Debt

	At 1 st June 2022 £000	Cash Flows £000	Other non- cash changes £000	At 31 st May 2023 £000
Cash and cash equivalents	6,081	1,683	-	7,764
Borrowings				
Current borrowings	-	-	-	-
Finance lease liabilities	(2,423)	998	(251)	(1,676)
	(2,423)	998	(251)	(1,676)
Total	3,658	2,681	(251)	6,088

MEACHERS GROUP INVESTMENTS LIMITED

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.

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

(e) **Going concern**

At the time of approving the financial statements the directors have a reasonable expectation that the parent company and Group has adequate resources to continue in operational existence. Given the ongoing strong levels of trade, together with the current cash position of the Group, the directors believe that the going concern basis continues to be appropriate 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	- 4 - 50% as appropriate
Plant & Equipment	- 5 - 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.

MEACHERS GROUP INVESTMENTS LIMITED

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 2023.

MEACHERS GROUP INVESTMENTS LIMITED

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 23.

(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) 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.

(p) Government grants

Government grants are recognised as income when the associated performance conditions are met.

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

(q) **Goodwill**

Goodwill represents the excess of the cost of acquisition of a business over the fair value of the net assets acquired. It is initially recognised as an asset at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	2023 £000	2022 £000
2. Turnover		
An analysis of the geographical location of the Group's turnover is as follows:		
UK	44,037	53,122
Rest of the world	1,796	2,161
	<u>45,833</u>	<u>55,283</u>
	2023 £000	2022 £000
3. Other operating income		
Rental income from investment properties	57	67
Coronavirus Job Retention Scheme	-	4
	<u>57</u>	<u>71</u>
	2023 £000	2022 £000
4. Administrative expenses		
Distribution and selling costs	428	1,538
Administration expenses	4,475	5,391
	<u>4,903</u>	<u>6,929</u>
	2023 £000	2022 £000
5. Interest receivable and similar income		
Interest on bank deposits	101	1
Other interest receivable	2	3
	<u>103</u>	<u>4</u>

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	2023 £000	2022 £000
6. Interest payable and similar charges		
Interest payable on lease purchase agreements	74	76
Interest payable on bank loan	-	8
Other interest payable	1	3
	<u>75</u>	<u>87</u>

	2023 £000	2022 £000
7. Profit on ordinary activities before taxation		
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Operating lease charges		
- plant and equipment	610	640
- land and buildings	3,234	2,705
Depreciation of and amounts written off fixed assets:		
Charge for period		
- tangible fixed assets	500	539
- tangible fixed assets under lease purchase agreements	860	815
- profit on disposal of fixed assets	(81)	(181)
Amortisation of intangible assets	269	268
Auditors' remuneration		
- for audit	45	41
- for tax compliance services	9	12
- for tax advisory services	13	3
Other operating income		
- property rental income	(57)	(67)
- coronavirus job retention scheme	-	(4)

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	2023 £000	2022 £000
8. Employees		
Staff costs during the year:		
Wages and salaries	9,408	10,358
Social security costs	1,041	1,198
Other pension costs	287	253
	<u>10,736</u>	<u>11,809</u>

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

	2023 Number	2022 Number
Operations	178	169
Administration	29	29
	<u>207</u>	<u>198</u>

	2023 £000	2022 £000
Directors' remuneration:		
Aggregate emoluments	1,888	2,941
Pension contributions	59	52
	<u>1,947</u>	<u>2,993</u>

Highest paid director:

	2023	2022
Aggregate emoluments	537	787
Pension contributions	-	-
	<u>537</u>	<u>787</u>

Retirement benefits are accruing to three directors (2022: 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 £3,035,432 (2022 £4,718,762).

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	2023 £000	2022 £000
9. Tax on profit on ordinary activities		
(a) Analysis of charge for the period		
U.K. corporation tax at 20.00% (2022: 19.00%)		
Current tax:		
U.K. corporation tax on profits of the period	728	769
Deferred tax:		
Origination and reversal of timing differences	223	207
Under provision in prior period	-	2
Total deferred tax charge	223	209
Total tax on profit on ordinary activities	951	978

(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:

	2023 £000	2022 £000
Profit on ordinary activities before tax	4,484	5,000
Profit on ordinary activities multiplied by standard rate U.K. corporation tax of 20.00% (2022: 19.00%)	897	950
Effects of:		
Expenses not deductible for tax purposes	56	108
Fixed asset differences	(2)	(80)
Tax expense	951	978

(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

	2023 £000	2022 £000
10. Dividends		
Dividends paid – Ordinary shares	2,000	1,500

	Goodwill £000
11. Intangible Fixed Assets	
Group	
Cost:	
At 1 June 2022	1,341
Additions	-
At 31 May 2023	1,341
Amortisation:	
At 1 June 2022	335
Amortisation for year	269
At 31 May 2023	604
Net book value:	
At 31 May 2023	737
At 31 May 2022	1,006

Intangible fixed assets relate to the purchased goodwill that arose when Meachers Global Logistics Ltd acquired AFS Transport Holdings Ltd on 1 March 2021. The goodwill is being amortised on a straight line basis over a 5 year period from the date of purchase.

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	Leasehold land and buildings £000	Motor vehicles £000	Plant & equipment £000	Total £000
12. Tangible fixed assets				
Group				
Valuation or cost:				
At 1 June 2022	1,255	8,607	1,779	11,641
Additions	18	1,821	71	1,910
Disposals	<u>(50)</u>	<u>(2,014)</u>	<u>(203)</u>	<u>(2,267)</u>
At 31 May 2023	<u>1,223</u>	<u>8,414</u>	<u>1,647</u>	<u>11,284</u>
Depreciation:				
At 1 June 2022	1,206	4,534	1,549	7,289
Charge for year	17	1,256	87	1,360
Eliminated in respect of disposals	<u>(50)</u>	<u>(1,618)</u>	<u>(199)</u>	<u>(1,867)</u>
At 31 May 2023	<u>1,173</u>	<u>4,172</u>	<u>1,437</u>	<u>6,782</u>
Net book value:				
At 31 May 2023	<u>50</u>	<u>4,242</u>	<u>210</u>	<u>4,502</u>
At 31 May 2022	<u>49</u>	<u>4,073</u>	<u>230</u>	<u>4,352</u>

The net book value of tangible fixed assets includes an amount of £2,003,324 (2022: £2,759,613) 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

13. Investment Properties

Group

Valuation or cost:

At 1 June 2022	1,925
Additions	-
Revaluations	100
Disposals	-
At 31 May 2023	<u>2,025</u>

Net book value:

At 31 May 2023	<u>2,025</u>
At 31 May 2022	<u>1,925</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 2nd May 2023 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:

	2023 £000	2022 £000
Cost	1,871	1,871
Accumulated depreciation	-	-
Impairment	<u>(134)</u>	<u>(169)</u>
	<u>1,737</u>	<u>1,702</u>

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	Other investments £000
14. Fixed asset investments	
Group	
Cost:	
At 1 June 2022	18
Additions	-
At 31 May 2023	18
Amounts written off:	
At 1 June 2022 and 31 May 2023	-
Net book value:	
At 31 May 2023	18
At 31 May 2022	18

The net book value of fixed asset investments relates to thirty six cherished number plates owned by the group.

	Subsidiary companies £000
Company	
Cost:	
At 1 June 2022 and 31 May 2023	2,398
Amounts written off:	
At 1 June 2022 and 31 May 2023	-
Net book value:	
At 31 May 2023	2,398
At 31 May 2022	2,398

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

14. 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.

* These 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	
2023	2022	2023	2022
<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>

15. Capital commitments

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

<u>2,086</u>	<u>1,885</u>	<u>-</u>	<u>-</u>
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MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000

16. 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	3,173	3,077	-	-
Amounts due between one and five years	4,758	7,462	-	-
Amounts due in five years or more	-	-	-	-
	<u>7,931</u>	<u>10,539</u>	<u>-</u>	<u>-</u>

Other:

Amounts due within one year	392	417	-	-
Amounts due between one and five years	235	617	-	-
Amounts due in five years or more	-	-	-	-
	<u>627</u>	<u>1,034</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000

17. Stocks

Stocks comprise:

Fuel, parts and tyres	<u>129</u>	<u>180</u>	<u>-</u>	<u>-</u>
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	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000

18. Debtors

Amounts falling due within one year:

Trade debtors	5,169	8,090	-	-
Prepayments and accrued income	1,970	1,614	-	-
Other debtors	<u>37</u>	<u>38</u>	<u>-</u>	<u>-</u>
	<u>7,176</u>	<u>9,742</u>	<u>-</u>	<u>-</u>

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
19. Creditors				
Amounts falling due within one year:				
Lease purchase agreements	769	930	-	-
Payments received on account	100	100	-	-
Trade creditors	1,762	2,198	-	-
Corporation tax	458	324	-	-
Other taxation and social security payable	702	1,451	-	-
Other creditors	66	74	-	-
Accruals and deferred income	2,597	3,538	-	-
	<u>6,454</u>	<u>8,615</u>	<u>-</u>	<u>-</u>

The payment on account represents a customer deposit held in respect of a guarantee in the company name dated 24th December 2001 in favour of HM Revenue and Customs. This was paid back to the customer after the end of the financial year.

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts falling due after one year:				
Lease purchase agreements	<u>907</u>	<u>1,493</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 £000	Deferred Tax £000	Total £000
20. Provisions for liabilities and charges			
At 1 June 2022	380	686	1,066
Movement on provision in the year	<u>38</u>	<u>223</u>	<u>261</u>
At 31 May 2023	<u>418</u>	<u>909</u>	<u>1,327</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.

	2023 £000	2022 £000
Deferred tax		
Group		
Provision at end of period:		
Capital allowances in excess of depreciation	894	692
Short term timing differences	-	(1)
Capital losses	<u>15</u>	<u>(5)</u>
Deferred tax liability	<u>909</u>	<u>686</u>
Adjustment to provision:		
At start of period	686	477
Transfer to profit and loss account for the period (note 9)	<u>223</u>	<u>209</u>
At end of period	<u>909</u>	<u>686</u>
	2023 £000	2022 £000
21. Called-up share capital		
Allotted, called up and fully paid:		
55,713 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.

MEACHERS GROUP INVESTMENTS LIMITED

Notes to the Accounts

22. 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.

23. 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.

24. Related Party Transactions

During the year a dividend of £2,000,000 was voted to directors.

25. 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

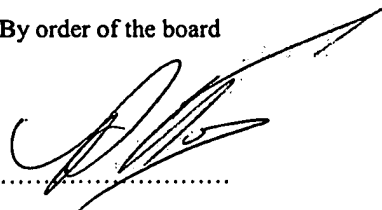
The directors are responsible for preparing the Directors' Report, Strategic Report and financial statements in accordance with applicable law and regulations.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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

A handwritten signature in black ink, appearing to be 'R.T. Terris', written over a dotted line.

R.T.Terris

Director

MEACHERS GROUP INVESTMENTS LIMITED

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 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and notes to the financial statements, including 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 2023 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial

MEACHERS GROUP INVESTMENTS LIMITED

statements themselves. If, based on the 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 period 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 or 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 29, 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.

MEACHERS GROUP INVESTMENTS LIMITED

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are: United Kingdom Generally Accepted Accounting Practice (FRS 102); the Companies Act 2006 and tax compliance legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities.

The group audit engagement team identified the risk of management override of controls and the risk of revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant or unusual transactions and transactions entered into outside the normal course of business. Furthermore, a sample of revenue transactions recorded either side of the year end were tested to confirm they had been recognised in the appropriate period.

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

Paul Anthony (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants

Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Date *29 September 2023*