

COMPANY REGISTRATION NUMBER: 01568776

M G S Management Services Limited
Financial Statements
For the year ended
30 June 2017



M G S Management Services Limited

Financial Statements

Year ended 30 June 2017

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M G S Management Services Limited

Officers and Professional Advisers

The board of directors

S D Bender
A M Selley

Company secretary

T Hamandi

Registered office

814 Leigh Road
Slough
England
SL1 4BD

Auditor

Streets Audit LLP
Chartered accountant & statutory auditor
Enterprise House
38 Tyndall Court
Commerce Road
Lynch Wood
Peterborough
Cambridgeshire
PE2 6LR

Bankers

National Westminster Bank plc
10 Market Place
Boston
Lincolnshire
PE21 6EJ

M G S Management Services Limited

Strategic Report

Year ended 30 June 2017

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business, incorporating our key performance indicators and the principal risks and uncertainties that the business faces.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being gross margin percentage, current ratio and net operating margin percentage detailed as follows:

	2017	2016
Gross Margin %	29.7	31.0
Current ratio	2.4	2.5
Net profit margin %	6.1	6.9

Turnover for the year has increased by over £1.6m compared with the previous year and net assets remain in excess of £5m.

Gross margin, current ratio and net profit margin are all comparable to 2016.

The company's principal financial instruments comprise cash, bank borrowings, finance leasing and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the company's operations.

The existence of these financial instruments exposes the group to a number of financial risks. The main risk arising from the company's financial instruments are credit risk, interest rate risk, and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Credit risk

The company seeks to manage its credit risk by dealing with established customers or otherwise checking the credit-worthiness of new customers, establishing clear contractual relationships with those customers and by identifying and addressing any credit issues arising in a timely manner.

Interest rate risk

The company's exposure to market risk for the changes in interest rates relates primarily to its bank and finance lease borrowings. The company seeks to manage this risk by the use of a combination of variable and fixed rates.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by overdraft facilities.

M G S Management Services Limited

Strategic Report *(continued)*

Year ended 30 June 2017

As for many businesses of our size, the business environment in which we operate continues to be challenging. Nevertheless with these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control. Having taken all of this into consideration, we consider the company will have another positive year in 2017-18.

This report was approved by the board of directors on 20/11/17 and signed on DATE behalf of the board by:

X 
A M Selley
Director

M G S Management Services Limited

Directors' Report

Year ended 30 June 2017

The directors present their report and the financial statements of the company for the year ended 30 June 2017.

Directors

The directors who served the company during the year were as follows:

S D Bender
A M Selley

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Disclosure of information in the strategic report

The company has chosen to set out in the strategic report information about the future developments of the company and the financial instruments.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the 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 company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

M G S Management Services Limited

Directors' Report *(continued)*

Year ended 30 June 2017

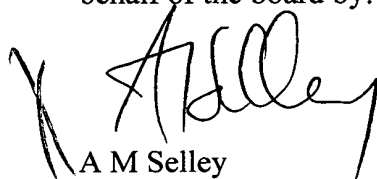
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 20/11/17 and signed on DATE
behalf of the board by:



A M Selley
Director

M G S Management Services Limited

Independent Auditor's Report to the Members of M G S Management Services Limited

Year ended 30 June 2017

Opinion

We have audited the financial statements of M G S Management Services Limited for the year ended 30 June 2017 which comprise the statement of income and retained earnings, statement of financial position and the related notes, 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its 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 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.

M G S Management Services Limited

Independent Auditor's Report to the Members of M G S Management Services Limited (continued)

Year ended 30 June 2017

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 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 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 have been prepared in accordance with applicable legal requirements.

M G S Management Services Limited

Independent Auditor's Report to the Members of M G S Management Services Limited (continued)

Year ended 30 June 2017

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 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.

M G S Management Services Limited

Independent Auditor's Report to the Members of M G S Management Services Limited *(continued)*

Year ended 30 June 2017

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



Jonathan Day (Senior Statutory Auditor)

28 November 2017.

For and on behalf of
Streets Audit LLP
Chartered accountant & statutory auditor
Enterprise House
38 Tyndall Court
Commerce Road
Lynch Wood
Peterborough
Cambridgeshire
PE2 6LR

M G S Management Services Limited

Statement of Income and Retained Earnings

Year ended 30 June 2017

	Note	2017 £	2016 £
Turnover	5	23,142,608	21,466,265
Cost of sales		<u>16,266,960</u>	14,806,432
Gross profit		6,875,648	6,659,833
Distribution costs		3,785,791	3,597,091
Administrative expenses		<u>1,325,118</u>	1,200,878
Operating profit	6	1,764,739	1,861,864
Interest payable and similar expenses	9	<u>9,113</u>	15,293
Profit before taxation		1,755,626	1,846,571
Tax on profit	10	<u>350,600</u>	377,067
Profit for the financial year and total comprehensive income		<u>1,405,026</u>	<u>1,469,504</u>
Dividends paid and payable	11	(1,200,000)	(1,500,000)
Retained earnings at the start of the year		<u>4,970,031</u>	5,000,527
Retained earnings at the end of the year		<u>5,175,057</u>	<u>4,970,031</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 24 form part of these financial statements.

M G S Management Services Limited

Statement of Financial Position

30 June 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	2,154,226	2,151,040
Current assets			
Stocks	15	1,282,655	1,341,219
Debtors	16	2,726,382	2,352,127
Cash at bank and in hand		1,669,194	1,646,149
		<u>5,678,231</u>	<u>5,339,495</u>
Creditors: amounts falling due within one year	17	<u>(2,351,355)</u>	<u>(2,129,300)</u>
Net current assets		<u>3,326,876</u>	<u>3,210,195</u>
Total assets less current liabilities		<u>5,481,102</u>	<u>5,361,235</u>
Creditors: amounts falling due after more than one year	18	(140,000)	(220,000)
Provisions			
Taxation including deferred tax	20	(15,045)	(20,204)
Net assets		<u>5,326,057</u>	<u>5,121,031</u>
Capital and reserves			
Called up share capital	23	1,250	1,250
Share premium account	24	149,750	149,750
Profit and loss account	24	5,175,057	4,970,031
Members funds		<u>5,326,057</u>	<u>5,121,031</u>

These financial statements were approved by the board of directors and authorised for issue on 20/11/17 and are signed on behalf of the board by:

DATE


A M Selley
Director

Company registration number: 01568776

The notes on pages 12 to 24 form part of these financial statements.

M G S Management Services Limited

Notes to the Financial Statements

Year ended 30 June 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 814 Leigh Road, Slough, SL1 4BD, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Company information

M G S Management Services Limited is a Limited company, incorporated in England and Wales. The principal place of business is Sutterton Enterprise Park, Endeavour Way, Sutterton, Boston, Lincolnshire, PE20 2JA.

The principal activity of the company during the year was the supplier of wholesale frozen, chilled and ambient food products together with cleaning and packaging materials.

4. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the company.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Bid Corporation Limited which can be obtained from Postnet Suite 136, Private Bag X9976, Johannesburg, 2146 South Africa. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

-No cash flow statement has been presented for the company.

-Disclosures in respect of financial instruments have not been presented.

-No disclosure has been given for the aggregate remuneration of key management personnel.

M G S Management Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

4. Accounting policies *(continued)*

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 402 of the Companies Act 2006 on the basis that its subsidiaries are excluded from consolidation on the grounds that their inclusion is not material for the purpose of giving a true and fair view.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most/significant effect on the amounts recognised in the financial statements are as disclosed in the accounting policies.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as disclosed in the accounting policies including depreciation charges on fixed assets and impairment of investments.

Revenue recognition

Turnover comprises the value of goods sold excluding value added tax and net of trade discounts.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

M G S Management Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

4. Accounting policies *(continued)*

Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	- 20% straight line
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M G S Management Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

4. Accounting policies *(continued)*

Amortisation *(continued)*

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold Property (excluding land)	- 2% or 10% straight line
Plant and Machinery	- 5%, 6.66%, 10% or 20% straight line
Motor Vehicles	- 11% or 20% straight line

Land is not depreciated.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

M G S Management Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

4. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is derived from the purchase price.

Finance leases and hire purchase contracts

Assets held under hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Defined pension contribution plans

The company contributes to a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

M G S Management Services Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2017

5. Turnover

Turnover arises from:

	2017	2016
	£	£
Sale of goods	23,019,193	21,354,468
Rendering of services	123,415	111,797
	<u>23,142,608</u>	<u>21,466,265</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

6. Operating profit

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Amortisation of intangible assets	–	18,567
Depreciation of tangible assets	257,380	264,726
Loss/(gains) on disposal of tangible assets	1,304	(21,594)
Operating lease costs	<u>38,314</u>	<u>34,541</u>

7. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>12,400</u>	<u>14,900</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>5,100</u>	<u>5,100</u>

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017	2016
	No.	No.
Sales staff	31	29
Distribution staff	66	64
Administrative staff	19	17
	<u>116</u>	<u>110</u>

M G S Management Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

8. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	2,768,020	2,613,653
Social security costs	276,134	253,425
Pension costs	45,277	31,725
	<u>3,089,431</u>	<u>2,898,803</u>

9. Interest payable and similar expenses

	2017	2016
	£	£
Interest on banks loans and overdrafts	6,660	9,426
Interest on obligations under finance leases and hire purchase contracts	2,453	5,867
	<u>9,113</u>	<u>15,293</u>

10. Tax on profit

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	355,759	380,639
Deferred tax:		
Origination and reversal of timing differences	(5,159)	(3,572)
Tax on profit	<u>350,600</u>	<u>377,067</u>

M G S Management Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

10. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.75% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>1,755,626</u>	<u>1,846,571</u>
Profit on ordinary activities by rate of tax	346,736	369,314
Effect of expenses not deductible for tax purposes	828	4,463
Effect of capital allowances and depreciation	2,941	3,290
Other tax adjustment to tax liability	<u>95</u>	<u>—</u>
Tax on profit	<u>350,600</u>	<u>377,067</u>

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2017 £	2016 £
Interim dividends on ordinary shares	<u>1,200,000</u>	<u>1,500,000</u>

12. Intangible assets

	Goodwill £
Cost	
At 1 Jul 2016 and 30 Jun 2017	<u>317,501</u>
Amortisation	
At 1 Jul 2016 and 30 Jun 2017	<u>317,501</u>
Carrying amount	
At 30 June 2017	<u>—</u>

M G S Management Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

13. Tangible assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 July 2016	1,373,062	1,042,449	1,578,458	3,993,969
Additions	4,323	250,515	19,167	274,005
Disposals	—	(4,173)	(52,569)	(56,742)
At 30 June 2017	1,377,385	1,288,791	1,545,056	4,211,232
Depreciation				
At 1 July 2016	292,095	771,761	779,073	1,842,929
Charge for the year	24,761	104,879	127,740	257,380
Disposals	—	(140)	(43,163)	(43,303)
At 30 June 2017	316,856	876,500	863,650	2,057,006
Carrying amount				
At 30 June 2017	1,060,529	412,291	681,406	2,154,226
At 30 June 2016	1,080,967	270,688	799,385	2,151,040

Freehold Property includes £173,281 (2016 - £173,281) for land which is non-depreciable.

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles £
At 30 June 2017	—
At 30 June 2016	52,496

M G S Management Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

14. Investments

	Shares in group undertakings £	Other investments other than loans £	Total £
Cost			
At 1 Jul 2016 and 30 Jun 2017	<u>102,656</u>	<u>170,800</u>	<u>273,456</u>
Impairment			
At 1 Jul 2016 and 30 Jun 2017	<u>102,656</u>	<u>170,800</u>	<u>273,456</u>
Carrying amount			
At 30 June 2017	<u>—</u>	<u>—</u>	<u>—</u>

The company owns 100% of the issued share capital of South Lincs Food Service Limited, Chef's Trolley Limited, Boston Coffee Company Limited and Churchill's Fine Foods Limited. All four companies are dormant and there has been no movement on reserves in these companies during the current year.

The company is a partner in Beryllium Productions LLP, registered office 115 Eastbourne Mews, London, W2 6LQ. This investment was previously impaired to a £nil carrying value. The directors are of the opinion that this carrying value is still appropriate.

The company is also a partner in Spotlight Productions (3) LLP, registered office 115 Eastbourne Mews, London, W2 6LQ. This investment was previously impaired to a £nil carrying value. The directors are of the opinion that this carrying value is still appropriate.

15. Stocks

	2017 £	2016 £
Raw materials and consumables	<u>1,282,655</u>	<u>1,341,219</u>

M G S Management Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

16. Debtors

	2017	2016
	£	£
Trade debtors	1,767,314	1,625,023
Amounts owed by group undertakings	468,834	443,345
Prepayments and accrued income	489,794	283,759
Other debtors	440	—
	<u>2,726,382</u>	<u>2,352,127</u>

17. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	80,000	80,000
Trade creditors	1,705,693	1,399,373
Accruals and deferred income	127,282	172,058
Corporation tax	355,759	380,639
Social security and other taxes	82,621	82,890
Obligations under finance leases and hire purchase contracts	—	14,340
	<u>2,351,355</u>	<u>2,129,300</u>

Bank loans and overdrafts are secured by way of:

- a debenture in favour of National Westminster Bank plc over all assets of the company dated 31 January 2010; and

- a legal charge in favour of National Westminster Bank plc over the freehold land and buildings dated 12 March 2010.

The hire purchase liabilities were secured on the assets to which they related in the previous year.

18. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans and overdrafts	<u>140,000</u>	<u>220,000</u>

Security on creditors due after one year is as disclosed for creditors due within one year.

M G S Management Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2017	2016
	£	£
Not later than 1 year	<u>—</u>	<u>14,340</u>

20. Provisions

	Deferred tax (note 21)
	£
At 1 July 2016	20,204
Charge against provision	<u>(5,159)</u>
At 30 June 2017	<u>15,045</u>

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017	2016
	£	£
Included in provisions (note 20)	<u>15,045</u>	<u>20,204</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017	2016
	£	£
Accelerated capital allowances	16,211	21,196
Pension plan obligations	<u>(1,166)</u>	<u>(992)</u>
	<u>15,045</u>	<u>20,204</u>

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £45,277 (2016: £31,725).

M G S Management Services Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2017



23. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary A shares of £1 each	260	260	260	260
Ordinary B shares of £1 each	990	990	990	990
	<u>1,250</u>	<u>1,250</u>	<u>1,250</u>	<u>1,250</u>

The Ordinary B shares rank pari passu with the Ordinary A shares in all respects.

24. Reserves

The share premium account reserve records the amount above the nominal value received for shares sold, less transaction costs. Profit and loss account - This reserve records retained earnings and accumulated losses.

25. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	21,591	29,391
Later than 1 year and not later than 5 years	28,455	48,452
	<u>50,046</u>	<u>77,843</u>

26. Related party transactions

The company has taken advantage of the exemption available in FRS 102 from disclosing transactions with members of the Bid Corporation Limited.

27. Controlling party

The company was under the control of the Bid Corporation Limited throughout the current and previous year. The company is a wholly owned subsidiary of BFS Group Limited. The ultimate parent undertaking is Bid Corporation Limited, a company incorporated in South Africa which is also the largest group in which the results of the company are consolidated.

Copies of the financial statements of the Bid Corporation Limited are available upon application to the company at the following address; Postnet Suite 136, Private Bag X9976, Johannesburg, 2146 South Africa.