

Registered number: 09923387

**MEDWAY COMMERCIAL  
GROUP LIMITED  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 MARCH 2017**

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**MAGEE GAMMON**  
Chartered Accountants  
Henwood House  
Henwood  
Ashford  
Kent  
TN24 8DH

# MEDWAY COMMERCIAL GROUP LIMITED

## COMPANY INFORMATION

<b>Directors</b>	Mr V J Sahdev (appointed 21 December 2015, resigned 30 June 2017) Mr A K McGrath (appointed 23 February 2016, resigned 11 July 2016) Mr A Mackness (appointed 23 February 2016) Mr M L Garlick (appointed 23 February 2016) Mrs C Mckenzie (appointed 30 June 2017) Mr I A Price (appointed 30 June 2017)
<b>Registered number</b>	09923387
<b>Registered office</b>	Henwood House Henwood Ashford Kent TN24 8DH
<b>Independent auditors</b>	Magee Gammon Corporate Limited Chartered Accountants & Statutory Auditors Henwood House Henwood Ashford Kent TN24 8DH

# MEDWAY COMMERCIAL GROUP LIMITED

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# **MEDWAY COMMERCIAL GROUP LIMITED**

## **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2017**

The directors present their report and the financial statements for the period ended 31 March 2017.

### **Directors' responsibilities statement**

The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements 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.

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 to 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.

### **Directors**

The directors who served during the period were:

Mr V J Sahdev (appointed 21 December 2015, resigned 30 June 2017)  
Mr A K McGrath (appointed 23 February 2016, resigned 11 July 2016)  
Mr A Mackness (appointed 23 February 2016)  
Mr M L Garlick (appointed 23 February 2016)

# MEDWAY COMMERCIAL GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2017

### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

The auditors, Magee Gammon Corporate Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20 September 2017 and signed on its behalf.

  
Mr A Mackness  
Director

# **MEDWAY COMMERCIAL GROUP LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MEDWAY COMMERCIAL GROUP LIMITED**

We have audited the financial statements of Medway Commercial Group Limited for the period ended 31 March 2017, set out on pages 5 to 14. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

### **Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

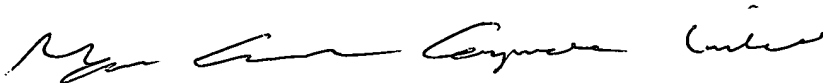
## MEDWAY COMMERCIAL GROUP LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MEDWAY COMMERCIAL GROUP LIMITED (CONTINUED)

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Antony Timothy David Tutt F.C.A (Senior Statutory Auditor)

for and on behalf of

**Magee Gammon Corporate Limited**

Chartered Accountants  
Statutory Auditors

Henwood House  
Henwood  
Ashford  
Kent  
TN24 8DH

20 September 2017

## MEDWAY COMMERCIAL GROUP LIMITED

### STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE PERIOD ENDED 31 MARCH 2017

	2017
	Note
Turnover	2,285,953
Cost of sales	<u>(2,271,273)</u>
<b>GROSS PROFIT</b>	<b>14,680</b>
Administrative expenses	<u>(14,535)</u>
<b>OPERATING PROFIT</b>	<b>145</b>
Interest receivable and similar income	<u>1,394</u>
<b>PROFIT BEFORE TAX</b>	<b>1,539</b>
Tax on profit	<u>(1,001)</u>
<b>PROFIT AFTER TAX</b>	<b>£ 538</b>
	<u><u>538</u></u>
Profit/(loss) for the period	<u>538</u>
<b>RETAINED EARNINGS AT THE END OF THE PERIOD</b>	<b>£ 538</b>
	<u><u>538</u></u>

There were no recognised gains and losses for 2017 other than those included in the statement of income and retained earnings.

The notes on pages 7 to 14 form part of these financial statements.



**MEDWAY COMMERCIAL GROUP LIMITED**  
**REGISTERED NUMBER:09923387**

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note		2017
<b>FIXED ASSETS</b>			
Tangible assets	5		65,225
Investments	6		2
			65,227
<b>CURRENT ASSETS</b>			
Stocks	7	8,250	
Debtors: amounts falling due within one year	8	354,954	
Cash at bank and in hand		36,464	
		399,668	
Creditors: amounts falling due within one year	9	(464,356)	
		(64,688)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(64,688)
<b>NET ASSETS</b>			£ 539
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11		1
Profit and loss account			538
			£ 539

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 September 2017.



**Mr A Mackness**  
 Director

The notes on pages 7 to 14 form part of these financial statements.

# MEDWAY COMMERCIAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

### 1. General information

Medway Commercial Group Limited is a private limited company registered in England and Wales. The registered number is 09923387. The registered office of the company is Henwood House, Henwood, Ashford, Kent. The principal place of business is MCG House, Civic Centre, Esplanade, Rochester, Kent.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

#### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

# MEDWAY COMMERCIAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

### 2. Accounting policies (continued)

#### 2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	20%
Fixtures and fittings	-	20%
Office equipment	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

#### 2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# MEDWAY COMMERCIAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

### 2. Accounting policies (continued)

#### 2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

#### 2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

#### 2.11 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

#### 2.12 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

## MEDWAY COMMERCIAL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

#### 2. Accounting policies (continued)

##### 2.13 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

##### 2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the period in which they are incurred.

##### 2.15 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**MEDWAY COMMERCIAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

**3. Auditors' remuneration**

	<b>2017</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	£ <u>6,000</u>

**4. Employees**

The average monthly number of employees, including directors, during the period was 44.

**5. Tangible fixed assets**

	Plant and machinery	Fixtures and fittings	Office equipment	Total
<b>Cost or valuation</b>				
Additions	60,508	4,861	16,162	81,531
At 31 March 2017	60,508	4,861	16,162	81,531
<b>Depreciation</b>				
Charge for the period on owned assets	12,102	972	3,232	16,306
At 31 March 2017	12,102	972	3,232	16,306
<b>Net book value</b>				
At 31 March 2017	£ 48,406	£ 3,889	£ 12,930	£ 65,225

# MEDWAY COMMERCIAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

### 6. Fixed asset investments

	<b>Investments in subsidiary companies</b>
<b>Cost or valuation</b>	
Additions	2
	2
At 31 March 2017	2
 <b>Net book value</b>	
At 31 March 2017	£ 2

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Medway Commercial Services Limited	Ordinary	100%
Medway Public Services Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	<b>Aggregate of share capital and reserves</b>	<b>Profit/(loss)</b>
Medway Commercial Services Limited	(2,493)	(2,494)
Medway Public Services Limited	1,323	1,322
	£ (1,170)	£ (1,172)

### 7. Stocks

	<b>2017</b>
Finished goods and goods for resale	£ 8,250

# MEDWAY COMMERCIAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

### 8. Debtors

	<b>2017</b>
Trade debtors	112
Amounts owed by group undertakings	273,506
Other debtors	79,629
Prepayments and accrued income	1,707
	<hr/>
£	354,954
	<hr/> <hr/>

### 9. Creditors: Amounts falling due within one year

	<b>2017</b>
Bank overdrafts	8,147
Trade creditors	350,631
Corporation tax	1,001
Other taxation and social security	20,229
Other creditors	9,773
Accruals and deferred income	74,575
	<hr/>
£	464,356
	<hr/> <hr/>

### 10. Financial instruments

	<b>2017</b>
<b>Financial assets</b>	
Financial assets measured at fair value through profit or loss	36,464
	<hr/>
£	36,464
	<hr/> <hr/>

Financial assets measured at fair value through profit or loss comprise cash and bank balances.

### 11. Share capital

	<b>2017</b>
<b>Shares classified as equity</b>	
<b>Allotted, called up and fully paid</b>	
1 Ordinary share of £1	£ 1
	<hr/> <hr/>

During the period 1 ordinary £1 share was issued for cash at par value.



## MEDWAY COMMERCIAL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

#### 12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £73,078. Contributions totalling £9,773 were payable to the fund at the balance sheet date and are included in creditors.

#### 13. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2017</b>
Not later than 1 year	48,614
Later than 1 year and not later than 5 years	60,322
	<u>£ 108,936</u>

#### 14. Controlling party

The ultimate controlling party is Medway Council who own 100% of the issued share capital. The principal place of business is Gun Wharf, Dock Road, Chatham, Kent.