

**RMS GOOLE LIMITED**

**STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 2017**

MONDAY



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# **RMS GOOLE LIMITED**

## **COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **Directors**

M Johnston  
I D Parsons  
J J Hunter

### **Registered office**

Boothferry Terminal  
Bridge Street  
Goole  
East Yorkshire  
DN14 5SS

### **Registered number**

02464026

### **Auditors**

RSM UK Audit LLP  
Chartered Accountants  
Two Humber Quays  
Wellington Street West  
Hull  
HU1 2BN

### **Bankers**

HSBC Bank plc  
Merit House  
Priory Park West  
Saxon Way  
Hessle  
Hull  
East Yorkshire  
HU13 9PB

### **Solicitors**

Stamp Jackson and Procter LLP  
5 Parliament Street  
Hull  
HU1 2AZ

# **RMS GOOLE LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The principal activities of the company are freight forwarding, stevedoring, ships agency, haulage, warehousing, logistics and port & customs clearance.

### **Review of Business**

The company had a slightly disappointing year with overall tonnages handled behind expectations. This resulted from ongoing tough market conditions, in particular pressures within the steel market.

The company generated profit before tax of £245,987 during the year and finished the year with net assets of £2,255,189 having made additions to tangible fixed assets during the year of £119,706.

We continued our strategy of exploring new markets, detailed financial planning combined with careful cost control and improving efficiency and flexibility.

Our emphasis throughout has been to provide our customers with excellent customer service and adding value wherever possible.

As ever we would like to thank our customers for their continued support and our staff for their continued hard work.

We operate as a team throughout the business and across its locations; and we place the wellbeing, health and safety of our people at the top of our priority list. By doing so we enjoy great stability, flexibility and the benefits of long term experience.

### **Principal Risks and Uncertainties**

The principal risks and uncertainties affecting the company are driven by the broader economic climate in which the group operates. The impact of Brexit is already being felt with the fall in the value of sterling affecting importers. The type of Brexit deal that is struck will possibly impact the group, particularly in relation to customs clearances, so the group is preparing itself to deal with a greater volume of customs clearances by reviewing our systems and processes.

### **Future Development and Performance**

We will continue our strategy of exploring new markets, detailed financial planning combined with careful cost control and improving efficiency and flexibility.

### **Key Performance Indicators**

The shareholders are closely involved in the group's operations and therefore the directors believe that an analysis of the group's performance for the year using key performance indicators is not necessary as the shareholders already understand the development, performance and financial position of the company. The group uses EBITDA as the main financial KPI, and weekly tonnages as the main non-financial KPI, which is a leading indicator of anticipated turnover and profit. The EBITDA for RMS Goole Limited for 2017 was £432,679 (2016 - £387,752) and tonnages handled in the year were 495,400 tonnes (2016 – 510,984 tonnes).

ON BEHALF OF THE BOARD:



J J Hunter – Director

15 Aug 2018

# **RMS GOOLE LIMITED**

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their report with the financial statements of the company for the year ended 31 December 2017.

### **Dividends**

No dividends have been paid or declared in respect of 2017 (2016 - £nil).

### **Directors**

The directors during the period were as follows:

M Kirby – resigned 23 March 2017  
C J Tyler – resigned 23 August 2017  
M Johnston  
I D Parsons  
J J Hunter

### **Financial instruments**

*The company's principal financial instruments comprise invoice financing facilities, loans, trade debtors and trade creditors. The main purpose of these instruments is to raise funds for the group's operations and to finance the working capital.*

Due to the nature of the financial instruments used by the company there is limited exposure to price risk.

With regard to debt instruments, these have variable and fixed interest rates but the capital repayments are fixed. The group manages the liquidity risk by ensuring that there are sufficient funds to meet the payments as they fall due.

Trade debtors are managed in respect of the credit offered to customers and are regularly monitored for amounts outstanding for both time and credit limits. The trade creditor liquidity risk is managed by ensuring sufficient funds are available to meet payments as they fall due.

### **Director indemnities**

Qualifying third party indemnity provisions as defined by Section 234 of the Companies Act were in place throughout the year.

### **Research and development**

The company continues to invest in areas of research and development to enhance its products and services. In the opinion of the directors, continuity of investment in this area is essential for the maintenance of the company's market position and for future growth.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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 and then apply them consistently;
- make judgements 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.

# **RMS GOOLE LIMITED**

## **REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **Statement of director's responsibilities (continued)**

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.

### **Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

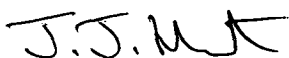
### **Matters of strategic importance**

The future developments details that are required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 have been included in the separate Strategic Report in accordance with section 414C(11) of the Companies Act 2006.

### **Auditors**

RSM UK Audit LLP has indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

**On behalf of the board:**



J J Hunter – Director

15 Aug 2018

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RMS GOOLE LIMITED**

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## **Opinion**

We have audited the financial statements of RMS Goole Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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.

## **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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RMS GOOLE LIMITED (CONTINUED)**

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## **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.

## **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 and the directors' report.

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

- adequate accounting records have not been kept, 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 set out on pages 3 and 4, 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.

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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RMS GOOLE LIMITED (CONTINUED)

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### 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.

RSM UK Audit LLP

RICHARD LEWIS (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Two Humber Quays  
Wellington Street West  
Hull  
HU1 2BN

Date

15/8/2018



# RMS GOOLE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	<i>Notes</i>	2017 £	2016 £
<b>Turnover</b>	2	8,885,183	9,070,587
Cost of sales		(7,873,264)	(7,796,939)
<b>Gross profit</b>		1,011,919	1,273,648
Administrative expenses		(740,622)	(1,043,985)
<b>Operating profit</b>		271,297	229,663
Interest payable and similar charges	5	(25,310)	(29,237)
<b>Profit on ordinary activities before taxation</b>	4	245,987	200,426
Tax on profit on ordinary activities	6	(39,701)	(9,134)
<b>Profit for the financial year</b>		206,286	191,292
<b>Total comprehensive income for the year</b>		206,286	191,292

**RMS GOOLE LIMITED****BALANCE SHEET  
AS AT 31 DECEMBER 2017**

	Notes	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	7		533,286		600,839
<b>Current assets</b>					
Stocks	8	33,787		30,539	
Debtors due within one year	9	3,868,209		4,481,151	
Cash at bank and in hand		329,215		423	
		4,231,211		4,512,113	
<b>Creditors</b>					
Amounts falling due within one year	10	(2,404,659)		(2,947,435)	
<b>Net current assets</b>			1,826,552		1,564,678
<b>Total assets less current liabilities</b>			2,359,838		2,165,517
<b>Creditors</b>					
Amounts falling due after more than one year	11		(61,043)		(59,418)
<b>Provisions for liabilities</b>	15		(43,606)		(57,196)
<b>Net assets</b>			2,255,189		2,048,903
<b>Capital and reserves</b>					
Called up share capital	16		21,965		21,965
Share premium account	17		1,640,592		1,640,592
Retained earnings	17		592,632		386,346
<b>Shareholders' funds</b>			2,255,189		2,048,903

The financial statements were approved by the Board of Directors and authorised for issue on 15 Aug 2018 and were signed on its behalf by:



J J Hunter  
Director

# RMS GOOLE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

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	Called up share capital £	Retained earnings £	Share premium account £	Total equity £
<b>Balance at 1 January 2016</b>	21,965	195,054	1,640,592	1,857,611
<b>Changes in equity</b>				
Total comprehensive income	-	191,292	-	191,292
<b>Balance at 31 December 2016</b>	21,965	386,346	1,640,592	2,048,903
<b>Changes in equity</b>				
Total comprehensive income	-	206,286	-	206,286
<b>Balance at 31 December 2017</b>	21,965	592,632	1,640,592	2,255,189

# RMS GOOLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1. Accounting policies

#### General information and basis of preparing the financial statements

RMS Goole Limited is a limited company incorporated in the United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements. The principal activities of the company are disclosed in the strategic report.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £, except where otherwise indicated.

These financial statements are presented in sterling which is also the functional currency of the company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### Reduced disclosures

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

- **Section 4 'Statement of Financial Position'** – Reconciliation of the opening and closing number of shares
- **Section 7 'Statement of Cash Flows'** – Presentation of a Statement of Cash Flow and related notes and disclosures
- **Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues'** – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income
- **Section 33 'Related Party Disclosures'** – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of RMS Group Holdings Limited. The consolidated financial statements of RMS Group Holdings Limited are available from its registered office, Boothferry Terminal, Bridge Street, Goole, DN14 5SS.

#### Going concern

The company meets its funding requirements through its agreed banking facilities. The company has approved facilities from the bank and the forecasts and projections, taking into account possible changes in trading performance, show that the company will be able to operate within the level of these facilities, and in accordance with the covenants set out in the facility agreements. The Directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, accordingly they continue to adopt the going concern basis of accounting in preparing these financial statements.

# RMS GOOLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1. Accounting policies (continued)

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

#### *Rendering services*

When the outcome of a transaction can be estimated reliably, turnover from freight forwarding, stevedoring, ships agency, haulage, logistics and port and customs clearance is recognised by reference to the state of completion at the balance sheet date. Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

#### *Interest and other income*

Interest income is recognised using the effective interest method and dividend income is recognised as the company's right to receive payable is established.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Leasehold improvements	10 years
Plant and machinery, fixtures and fittings	5 – 20 years
Motor vehicles	5 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Major spare parts that are expected to be used in more than one period, or that can only be used for one asset, are capitalised as tangible fixed assets. All other spare parts are classified as stocks.

Subsequent costs, including replacement parts and major inspections, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts of previous inspections are then derecognised. All other costs of repairs and maintenance are charged to profit or loss as incurred.

#### **Taxation**

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only 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 balance sheet date that are expected to apply to the reversal of timing differences.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1. Accounting policies (continued)

#### **Leases**

##### *The Company as Lessee – Finance Leases*

An asset and corresponding liability are recognised for leasing agreements that transfer to the Company substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

##### *The Company as Lessee – Operating Leases*

All other leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be capitalised as a tangible fixed asset.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Financial instruments**

The Company 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 Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company 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**

Trade, group 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 amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financial 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.

A provision for impairment of trade and other 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 for the excess of the carrying value of the trade debtor and other over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss were recognised, are recognised immediately in profit or loss.

# **RMS GOOLE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **1. Accounting policies (continued)**

#### **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 Company after deducting all of its liabilities.

#### *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.

#### *Trade, group and other creditors*

Trade, group 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 the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the credit 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.

#### *Bank overdrafts*

Bank overdrafts are presented within creditors: amounts falling due within one year.

#### *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.

#### *Borrowing costs*

All borrowing costs are expensed as incurred.

#### *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.

# RMS GOOLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1. Accounting policies (continued)

#### **Dividends**

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

#### **Impairment of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. All impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

#### **Research and development**

All research and development expenditure is written off to profit or loss as it is incurred.

#### **Critical accounting estimates and areas of judgement**

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.

#### Critical areas of judgement

##### *Leases*

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee.

##### *Bad debt provisions*

The company makes judgements concerning the recoverable amount of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the credit rating, the ageing profile and historical experience of the customer.

### 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company. All turnover arises from activities in the United Kingdom.

### 3. Staff costs

	2017	2016
	£	£
Wages and salaries	1,610,367	1,862,674
Social security costs	153,206	153,877
Other pension costs	44,680	44,624
	<u>1,808,253</u>	<u>2,061,175</u>

The average monthly number of employees during the year was as follows:

	2017	2016
Operational staff	47	47
Management and administration	15	15
	<u>62</u>	<u>62</u>



# RMS GOOLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 4. Profit before taxation

The profit before taxation is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation of tangible fixed assets - owned	121,450	129,994
Depreciation of tangible fixed assets – held under finance leases	39,932	28,095
Loss/(profit) on sale of tangible fixed assets	1,327	(10,154)
Research and development expenditure	44,123	43,589
Bad debt (credit)/expense	(174,121)	191,412
Operating lease rentals	838,879	854,893

The cost of auditor remuneration is borne by the ultimate parent undertaking, RMS Group Holdings Limited.

The Directors of the company are remunerated for their services via RMS Group Holdings Limited. As such, Directors' remuneration for the year ended 31 December 2017 is £Nil (2016: £Nil).

### 5. Interest payable and similar charges

	2017	2016
	£	£
Bank interest	20,405	23,855
Hire purchase	4,905	5,382
	<u>25,310</u>	<u>29,237</u>

### 6. Taxation

#### Analysis of tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	50,970	33,547
Under/(over) provision in prior years	2,321	(22,969)
Total current tax	<u>53,291</u>	<u>10,578</u>
Deferred taxation	(13,590)	(1,444)
Tax on profit on ordinary activities	<u>39,701</u>	<u>9,134</u>

#### Reconciliation of total tax charge included in profit or loss

The tax assessed for the year is lower (2016 – lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£	£
Profit on ordinary activities before tax	<u>245,987</u>	<u>200,426</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.25% (2016 – 20%)	47,352	40,085
Effects of:		
Expenses not deductible for tax purposes	753	677
Research and development deduction	(11,040)	(11,333)
Adjustments to tax charge in respect of previous periods	1,013	(17,342)
Change in standard rate of corporation tax	1,623	(2,953)
Total tax charge	<u>39,701</u>	<u>9,134</u>

# RMS GOOLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 7. Tangible fixed assets

	Leasehold improvements £	Plant and machinery	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2017	183,093	3,287,432	548,615	341,069	4,360,209
Additions	-	-	3,960	115,746	119,706
Disposals	-	-	-	(72,602)	(72,602)
31 December 2017	<u>183,093</u>	<u>3,287,432</u>	<u>552,575</u>	<u>384,213</u>	<u>4,407,313</u>
<b>Depreciation</b>					
At 1 January 2017	178,104	2,832,197	486,784	262,285	3,759,370
Charge for the year	1,472	77,556	51,012	31,342	161,382
Eliminated on disposals	-	-	-	(46,725)	(46,725)
At 31 December 2017	<u>179,576</u>	<u>2,909,753</u>	<u>537,796</u>	<u>246,902</u>	<u>3,874,027</u>
<b>Carrying value</b>					
At 31 December 2017	<u>3,517</u>	<u>377,679</u>	<u>14,779</u>	<u>137,311</u>	<u>533,286</u>
At 31 December 2016	<u>4,989</u>	<u>455,235</u>	<u>61,831</u>	<u>78,784</u>	<u>600,839</u>

The net book value of fixed assets includes £174,817 (2016 - £159,038) in respect of assets held under finance leases.

### 8. Stocks

	2017 £	2016 £
Consumables	<u>33,787</u>	<u>30,539</u>

### 9. Debtors due within one year

	2017 £	2016 £
Trade debtors	1,265,284	1,716,108
Amounts owed by group undertakings	2,180,306	2,348,351
Other debtors	196,502	221,064
Prepayments and accrued income	226,117	195,628
	<u>3,868,209</u>	<u>4,481,151</u>

Trade debtors are stated inclusive of a bad debt provision of £17,291 (2016: £191,412).

# RMS GOOLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 10. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank overdrafts	-	24,113
Invoice financing facility	428,808	1,097,978
Finance leases (see note 12)	59,751	57,902
Trade creditors	1,232,124	1,284,837
Amounts owed to group undertakings	42,540	32,493
Corporation tax	50,970	9,059
Social security and other taxes	47,513	48,378
Other creditors	6,655	13,466
Accruals and deferred income	536,298	379,209
	<u>2,404,659</u>	<u>2,947,435</u>

The invoice financing facility is secured against trade debtors.

### 11. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Finance leases (see note 12)	<u>61,043</u>	<u>59,418</u>

### 12. Hire purchase contracts and leasing agreements

Minimum payments on finance leases fall due as follows:

	2017	2016
	£	£
Net obligations repayable:		
Within one year	59,751	57,902
Between one and five years	61,043	59,418
	<u>120,794</u>	<u>117,320</u>

The Company's obligations under finance leases are secured by the lessor's charge over the leased assets.

### 13. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases for land, port buildings, plant and machinery are as follows:

	2017	2016
	£	£
Amount due:		
Within one year	792,078	724,100
Between one and five years	2,603,319	2,492,739
After five years	4,741,632	4,995,000
	<u>8,137,029</u>	<u>8,211,839</u>

# RMS GOOLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 14. Secured debts

The following secured debts are included within creditors:

	2017	2016
	£	£
Finance leases	120,794	117,320
Invoice financing facility	428,808	1,097,978
Bank overdrafts	-	24,113
	<u>549,602</u>	<u>1,239,411</u>

There is a fixed and floating charge overall of the assets of the company.

### 15. Provisions for liabilities

	2017	2016
	£	£
Deferred tax	<u>43,606</u>	<u>57,196</u>
		Deferred tax
		£
Balance at 1 January 2017		57,196
Credit to Statement of Comprehensive Income during year		(13,590)
Balance at 31 December 2017		<u>43,606</u>

Deferred tax is principally in respect of accelerated capital allowances.

### 16. Called up share capital

Allotted, issued and fully paid

Number:	Class:	Nominal Value	2017	2016
			£	£
219,649	Ordinary	10p	<u>21,965</u>	<u>21,965</u>

### 17. Reserves

The share premium account represents consideration received for shares issued above their nominal value net of transaction costs.

Retained earnings represents cumulative profit and loss net of distributions to owners.

### 18. Pension commitments

The company operates a money purchase pension scheme for certain directors and employees and also certain directors and employees of fellow undertakings. The assets of the scheme are held separately from those of the group. In addition, the company contributes to individual personal pension schemes on behalf of certain employees. The pension cost charge of £44,680 (2016 – £44,624) represents contributions payable by the company to the schemes. The amount outstanding at 31 December 2017 was £6,655 (2016 – £7,323) and is included in other creditors.

# **RMS GOOLE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **19. Ultimate parent company**

The parent company is RMS Europe Group Limited, a company registered in England and Wales. The ultimate parent company of the group undertakings for which group financial statements are drawn up and of which the company is a member is RMS Group Holdings Limited, a company registered in England and Wales. The Directors do not consider any one party to exercise control over RMS Group Holdings Limited. RMS Group Holdings Limited is the smallest and largest group for which consolidated financial statements are prepared. Copies of RMS Group Holdings Limited's accounts can be obtained from its registered office of Boothferry Terminal, Bridge Street, Goole, DN14 5SS, United Kingdom.

### **20. Contingent liabilities**

The company is party to a joint and several guarantees in respect of the borrowings of RMS Group Holdings Limited and its subsidiaries. The net liability at 31 December 2017 was £8,654,614 (2016 - £3,833,566).