

FLIXBOROUGH WHARF LIMITED

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR

ENDED 31 DECEMBER 2017



FLIXBOROUGH WHARF LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2017

Directors

I D Parsons
J J Hunter

Registered office

Boothferry Terminal
Bridge Street
Goole
East Yorkshire
DN14 5SS

Registered number

01762380

Auditor

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

FLIXBOROUGH WHARF LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2017

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

Dividends

Interim dividends totalling £Nil (2016 - £Nil) were paid during the year.

The directors do not recommend the payment of a final dividend.

Directors

M Kirby - resigned 23 March 2017
I D Parsons
J J Hunter

Director indemnities

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

Statement of directors' responsibilities

The directors are responsible for preparing 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.

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.

FLIXBOROUGH WHARF LIMITED

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

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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board:



J J Hunter – Director

15 Aug 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLIXBOROUGH WHARF LIMITED

Opinion

We have audited the financial statements of Flixborough Wharf 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 loss 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLIXBOROUGH WHARF LIMITED

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 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

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

FLIXBOROUGH WHARF LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	2	-	3,928,657
Cost of sales		-	(3,235,809)
Gross profit		-	692,848
Other operating income	2	112,000	-
Administrative expenses		(112,782)	(507,672)
Operating (loss)/profit		(782)	185,176
Interest payable and similar charges	5	(4,659)	(22,318)
(Loss)/profit on ordinary activities before taxation	4	(5,441)	162,858
Tax on profit on ordinary activities	6	(20,559)	(70,675)
(Loss)/profit for the financial year		(26,000)	92,183
Other comprehensive income		-	-
Total Comprehensive Income for the year		(26,000)	92,183

FLIXBOROUGH WHARF LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	7		3,242,273		3,286,678
Current assets					
Debtors	8	835,755		835,755	
Cash at bank		44,799		60,537	
		<u>880,554</u>		<u>896,292</u>	
Creditors: amounts falling due within one year	9	<u>(1,040,934)</u>		<u>(1,075,771)</u>	
Net current liabilities			<u>(160,380)</u>		<u>(179,479)</u>
Total assets less current liabilities			3,081,893		3,107,199
Provisions for liabilities	10		<u>(694)</u>		<u>-</u>
Net assets			<u>3,081,199</u>		<u>3,107,199</u>
Capital and reserves					
Called up share capital	13	1,450,000		1,450,000	
Revaluation reserve	14	1,832,453		1,832,453	
Retained earnings	14	<u>(201,254)</u>		<u>(175,254)</u>	
Shareholders' funds			<u>3,081,199</u>		<u>3,107,199</u>

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

FLIXBOROUGH WHARF LIMITED

STATEMENT OF CHANGES IN EQUITY 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2016	1,450,000	(267,437)	1,832,453	3,015,016
Changes in equity				
Total comprehensive income	-	92,183	-	92,183
Balance at 31 December 2016	1,450,000	(175,254)	1,832,453	3,107,199
Changes in equity				
Total comprehensive income	-	(26,000)	-	(26,000)
Balance at 31 December 2017	<u>1,450,000</u>	<u>(201,254)</u>	<u>1,832,453</u>	<u>3,081,199</u>

FLIXBOROUGH WHARF LIMITED

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

1. Accounting policies

General information and basis of preparing the financial statements

Flixborough Wharf 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 activity of the company is as a port owner and operator.

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.

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.

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.

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 branches, 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.

FLIXBOROUGH WHARF LIMITED

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

1. Accounting policies

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 (or deemed cost) or valuation 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:

Freehold buildings	10 - 50 years
Plant and machinery	2 - 25 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.

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. Impairments of revalued assets are treated as a revaluation loss. All other 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 or, for revalued assets, as a revaluation gain. 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.

FLIXBOROUGH WHARF LIMITED

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

1. Accounting policies

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Grants are recognised as income when the associated performance conditions (such as the creation of jobs) are met.

Government grants relating to turnover (such as training grants) are recognised as income over the periods when the related costs are incurred.

Borrowing costs

All borrowing costs are expensed as incurred.

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

Group debtors 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 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 debtor 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.

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.

FLIXBOROUGH WHARF LIMITED

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

1. Accounting policies

Financial liabilities and equity (continued)

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

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.

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.

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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

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

FLIXBOROUGH WHARF LIMITED

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

1. Accounting policies

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.

Retirement benefits

Defined contribution plans

For the defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Dividends

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

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

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.

FLIXBOROUGH WHARF LIMITED

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

2. Turnover

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

Other operating income of £112,000 (2016: £nil) represents management charges raised to fellow group companies.

3. Staff costs

	2017	2016
	£	£
Wages and salaries	-	1,139,962
Social security costs	-	111,913
Other pension costs	-	35,183
	<u>-</u>	<u>1,287,058</u>

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

	2017	2016
Operational staff	-	24
Management and administration	-	17
	<u>-</u>	<u>41</u>

4. (Loss)/profit before taxation

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

	2017	2016
	£	£
Depreciation of tangible fixed assets	112,000	249,106
Operating lease rentals	-	120,150
Amortisation of government grants	-	(13,620)
	<u>112,000</u>	<u>355,636</u>

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).

FLIXBOROUGH WHARF LIMITED

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

5. Interest payable and similar charges

	2017	2016
	£	£
Bank interest	-	7,455
Other interest	-	373
Finance leases	4,659	14,490
	<u>4,659</u>	<u>22,318</u>

6. Taxation

Analysis of tax charge

The tax charge on the (loss)/profit on ordinary activities for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	20,147	71,048
Over provision in prior years	(282)	(373)
Group relief	-	-
Total current tax	<u>19,865</u>	<u>70,675</u>
Deferred taxation	694	-
Tax on (loss)/profit on ordinary activities	<u>20,559</u>	<u>70,675</u>

Reconciliation of total tax charge

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

	2017	2016
	£	£
(Loss)/profit on ordinary activities before tax	<u>(5,441)</u>	<u>162,858</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.25% (2016 – 20%)	<u>(1,047)</u>	<u>32,572</u>
Effects of:		
Expenses not deductible for tax purposes	21,556	38,476
Adjustments to tax charge in respect of previous periods	648	(373)
Change in tax rates	(598)	-
Tax charge	<u>20,559</u>	<u>70,675</u>

FLIXBOROUGH WHARF LIMITED

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

7. Tangible fixed assets

	Freehold land and buildings £	Total £
Cost or valuation		
At 1 January 2017	3,734,678	3,734,678
Additions	67,595	67,595
31 December 2017	<u>3,802,273</u>	<u>3,802,273</u>
Depreciation		
At 1 January 2017	448,000	448,000
Charge for the year	112,000	112,000
At 31 December 2017	<u>560,000</u>	<u>560,000</u>
Carrying value		
At 31 December 2017	<u>3,242,273</u>	<u>3,242,273</u>
At 31 December 2016	<u>3,286,678</u>	<u>3,286,678</u>

The net book value of fixed assets includes £Nil (2016 - £Nil) in respect of assets held under finance leases and in freehold land and buildings, land of £1,192,000 (2016 - £1,192,000) which is not depreciated.

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2017 £	2016 £
Cost	<u>6,111,425</u>	<u>6,043,830</u>
Aggregate depreciation	<u>5,129,272</u>	<u>5,017,272</u>

Freehold land and building included above were recognised using a valuation in 2012 of £3,410,000 on a market value with vacant possession basis by Clark Weightman Limited. This valuation on transition to FRS 102 has been taken to be deemed cost of the freehold land and buildings. These assets are being depreciated from their valuation date in 2012.

In the event that the freehold land and buildings are sold at the balance sheet valuation, there would be no taxation charge thereon.

FLIXBOROUGH WHARF LIMITED

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

8. Debtors: amounts falling due within one year

	2017	2016
	£	£
Amounts owed by group undertakings	<u>835,755</u>	<u>835,755</u>

9. Creditors: amounts falling due within one year

	2017	2016
	£	£
Finance leases (see note 11)	16,527	112,541
Amounts owed to group undertakings	1,003,167	892,183
Corporation tax	20,147	71,047
Accruals and deferred income	1,093	-
	<u>1,040,934</u>	<u>1,075,771</u>

10. Provision for liabilities

	2017	2016
	£	£
Deferred tax	<u>694</u>	<u>-</u>
	£	£
Balance at 1 January	-	-
Credit to the profit or loss during the year	694	-
Balance at 31 December	<u>694</u>	<u>-</u>

Deferred tax is principally in respect of accelerated capital allowances.

11. Leasing agreements

Minimum payments on finance lease agreements fall due as follows:

	2017	2016
	£	£
Net obligations repayable:		
Within one year	16,527	112,541
Between one and five years	-	-
	<u>16,527</u>	<u>112,541</u>

The assets upon which the finance lease obligations are secured were transferred to a fellow subsidiary company on 31 December 2016, refer to note 18. The outstanding finance was not repaid on sale, in breach of the borrowing agreements, although this was undertaken with the full knowledge of the lessor. As such, all hire purchase debts were classified as current in the prior period.

FLIXBOROUGH WHARF LIMITED

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

12. Secured debts

The following secured debts are included within creditors:

	2017	2016
	£	£
Finance leases	<u>16,527</u>	<u>112,541</u>

There is a fixed and floating charge over all of the assets of the company in favour of the company's bankers.

13. Called up share capital

Allotted, issued and fully paid

Number:	Class:	Nominal Value	2017	2016
			£	£
1,450,000	Ordinary	£1	<u>1,450,000</u>	<u>1,450,000</u>

14. Reserves

The revaluation reserve represents the cumulative effect of revaluations of tangible taxed assets where a policy of revaluation has been adopted.

Retained earnings represent the cumulative profits and losses net of dividends and other adjustments.

15. Pension commitments

The company is part of a group which operates a personal pension scheme for its directors and employees. The assets of the scheme are held separately from those of the group. The pension cost charge of £Nil (2016 – £35,183) represents contributions payable by the company to the scheme. The amount outstanding at 31 December 2017 was £Nil (2016 - £Nil).

16. 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 set of consolidated financial statements which are prepared for the group. 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.

17. 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).

18. Business combinations

On 31 December 2016, the trade and selected assets and liabilities of Flixborough Wharf Limited were hived across into a fellow subsidiary of RMS Group Holdings Limited, RMS Trent Ports Limited.