

RMS GOOLE LIMITED

**STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2019**



RMS GOOLE LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

Directors

M Johnston
I D Parsons

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

Wilkin Chapman LLP
The Hall
Lairgate
Beverley
HU17 8HL

RMS GOOLE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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 satisfactory year with overall tonnages handled down on the prior year and also marginally behind budget expectations.

The company generated profit before tax of £788,339 during the year and finished the year with net assets of £3,188,178 having made additions to tangible fixed assets during the year of £29,167.

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, particularly the UK and the business has remained resilient through the COVID-19 crisis. We are encouraged by HM Government's financial and investment responses to the pandemic, which have significantly protected the markets that we serve. Albeit a very last minute trade agreement was brokered by HM Government with the EU, we had planned for a "hard" Brexit which eventually turned out not to be the case. We had put in place resource and processes to deal with additional bureaucracy caused by the UK leaving the EU which have proved to be very effective post the transitional phase. Internally we manage health & safety application and reporting tightly across our operations and in the assessment and mitigation of risk in the workplace.

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

KPI's are used by the Directors on a weekly & monthly basis to monitor the performance of the company. Key measures include revenue & contribution by product offering, tonnages handled & EBITDA, in addition to key measures relating to cash generation & available facility headroom. The EBITDA adjusted for non-recurring items for the company in 2019 was £889,858 (2018 - £424,231) and tonnages handled in the year were 460,405 tonnes (2018 – 514,354 tonnes). The Directors also use qualitative KPIs to monitor service quality and customer satisfaction as measures of performance and progress. The emphasis has increasingly shifted towards quality of earnings.

ON BEHALF OF THE BOARD:



I D Parsons – Director

1 March 2021

RMS GOOLE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

Dividends

No dividends have been paid or declared in respect of 2019 (2018 - £nil).

Directors

The directors during the period were as follows:

M Johnston

I D Parsons

J Hunter (resigned 30 April 2019)

C R Hodgson (resigned 30 April 2020)

G G Hunter (appointed 7 May 2019, resigned 1 July 2020)

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 company'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 company 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.

Subsequent events

Subsequent to the year-end, the global COVID-19 pandemic has impacted on all areas and sectors, including the principal activities of the company and its wider group. The group is continuing to operate, taking measures to ensure the health and safety of its employees and implementing the necessary business continuity procedures.

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 2019

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:



I D Parsons – Director

1 March 2021

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

Opinion

We have audited the financial statements of RMS Goole Limited (the 'company') for the year ended 31 December 2019 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 2019 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.

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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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.

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

3/3/2021

RMS GOOLE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	2	9,641,645	9,705,889
Cost of sales		(7,533,723)	(8,230,612)
Gross profit		2,102,922	1,475,277
Administrative expenses		(1,292,001)	(1,107,901)
Operating profit		815,921	367,376
Interest payable and similar charges	5	(27,582)	(26,469)
Profit on ordinary activities before taxation	4	788,339	340,907
Tax on profit on ordinary activities	6	(143,763)	(52,494)
Profit for the financial year		644,576	288,413
Total comprehensive income for the year		644,576	288,413

RMS GOOLE LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	7		489,848		542,417
Current assets					
Stocks	8	29,764		49,095	
Debtors due within one year	9	4,576,255		5,538,421	
Cash at bank and in hand		2,271		73,290	
		<u>4,608,290</u>		<u>5,660,806</u>	
Creditors					
Amounts falling due within one year	10	(1,747,938)		(3,462,812)	
Net current assets			<u>2,860,352</u>		<u>2,197,994</u>
Total assets less current liabilities			<u>3,350,200</u>		<u>2,740,411</u>
Creditors					
Amounts falling due after more than one year	11		(106,277)		(141,207)
Provisions for liabilities	15		(55,745)		(55,602)
Net assets			<u>3,188,178</u>		<u>2,543,602</u>
Capital and reserves					
Called up share capital	16		21,965		21,965
Share premium account	17		1,640,592		1,640,592
Retained earnings	17		1,525,621		881,045
Shareholders' funds			<u>3,188,178</u>		<u>2,543,602</u>

The financial statements were approved by the Board of Directors and authorised for issue on
1 March 2021 and were signed on its behalf by:



I D Parsons
Director

RMS GOOLE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Retained earnings £	Share premium account £	Total equity £
Balance at 1 January 2018	21,965	592,632	1,640,592	2,255,189
Changes in equity				
Total comprehensive income	-	288,413	-	288,413
Balance at 31 December 2018	21,965	881,045	1,640,592	2,543,602
Changes in equity				
Total comprehensive income	-	644,576	-	644,576
Balance at 31 December 2019	<u>21,965</u>	<u>1,525,621</u>	<u>1,640,592</u>	<u>3,188,178</u>

RMS GOOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies

General information and basis of preparing the financial statements

RMS Goole Limited is a company limited by shares 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 under the historical cost convention. The reported financial position and performance for the previous period are not affected by the application of the FRS102 Triennial Review 2017.

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 7 'Statement of Cash Flows'** – Presentation of a Statement of Cash Flow and related notes and disclosures

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.

Accounting period

The company's accounting reference date is 29 December, the directors have chosen to take advantage of the seven day rule and continue to prepare accounts to 31 December.

Going concern

The current COVID-19 pandemic, together with the end of the Brexit transitioning with effect from 1 January 2021, have created an unprecedented challenge for the company in determining future trading prospects. The company meets its funding requirements through its agreed banking facilities which are due for review and renewal in June 2021. Management are confident that these facilities will remain available for at least the 12 month period post issuing these financial statements. The Directors have prepared profit forecasts and projections, which cover the period to 31 December 2021, taking into account possible changes in trading performance, which 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' continually assess the period beyond 31 December 2021 to cover a period of at least 12 months from the date of issuing these financial statements. The Directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of issue of these financial statements, 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 2019

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 2019

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 2019

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.

Dividends

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

RMS GOOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

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.

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

	2019	2018
	£	£
Wages and salaries	1,523,240	1,622,918
Social security costs	148,428	151,945
Other pension costs	42,769	44,596
	<u>1,714,437</u>	<u>1,819,459</u>

The company did not incur any costs in respect of redundancies during the year (2018: £66,957). Redundancy costs of 2018 are not included in the total above.

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

	2019	2018
Operational staff	37	44
Management and administration	17	14
	<u>54</u>	<u>58</u>

RMS GOOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Profit before taxation

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

	2019	2018
	£	£
Depreciation of tangible fixed assets - owned	11,801	17,206
Depreciation of tangible fixed assets – held under finance leases	69,935	39,649
(Profit)/loss on disposal of tangible fixed assets	(7,800)	17,197
Research and development expenditure	35,535	33,557
Release of surplus doubtful debt provision	(9,172)	(2,891)
Operating lease rentals	815,372	880,394

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 2019 is £Nil (2018: £Nil).

5. Interest payable and similar charges

	2019	2018
	£	£
Bank interest	21,776	23,374
Hire purchase	5,806	3,095
	27,582	26,469

6. Taxation

Analysis of tax charge

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

	2019	2018
	£	£
Current tax:		
UK corporation tax	143,440	40,498
Adjustment in respect of prior years	180	-
Total current tax	143,620	40,498
Deferred taxation	143	11,996
Tax on profit on ordinary activities	143,763	52,494

Reconciliation of total tax charge included in profit or loss

The tax assessed for the year is lower (2018 – lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Profit on ordinary activities before tax	788,339	340,907
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018 – 19%)	149,784	64,772
Effects of:		
Expenses not deductible for tax purposes	58	136
Research and development deduction	(8,777)	(11,003)
Adjustments to tax charge in respect of previous periods	2,448	-
Change in standard rate of corporation tax	250	(1,411)
Total tax charge	143,763	52,494

RMS GOOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7. Tangible fixed assets

	Leasehold improvements £	Plant and machinery	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2019	183,093	3,371,115	552,575	345,537	4,452,320
Additions	-	16,773	-	12,394	29,167
Disposals	-	-	-	(23,750)	(23,750)
31 December 2019	<u>183,093</u>	<u>3,387,888</u>	<u>552,575</u>	<u>334,181</u>	<u>4,457,737</u>
Depreciation					
At 1 January 2019	180,794	2,927,753	542,302	259,054	3,909,903
Charge for the year	931	46,901	4,507	29,397	81,736
Eliminated on disposals	-	-	-	(23,750)	(23,750)
At 31 December 2019	<u>181,725</u>	<u>2,974,654</u>	<u>546,809</u>	<u>264,701</u>	<u>3,967,889</u>
Carrying value					
At 31 December 2019	<u>1,368</u>	<u>413,234</u>	<u>5,766</u>	<u>69,480</u>	<u>489,848</u>
At 31 December 2018	<u>2,299</u>	<u>443,362</u>	<u>10,273</u>	<u>86,483</u>	<u>542,417</u>

The net book value of fixed assets includes £230,310 (2018 - £273,078) in respect of assets held under finance leases.

8. Stocks

	2019 £	2018 £
Consumables	<u>29,764</u>	<u>49,095</u>

9. Debtors due within one year

	2019 £	2018 £
Trade debtors	1,365,731	1,903,771
Amounts owed by group undertakings	2,876,199	3,112,253
Other debtors	139,265	303,104
Prepayments and accrued income	195,060	219,293
	<u>4,576,255</u>	<u>5,538,421</u>

Trade debtors are stated net of a bad debt provision of £nil (2018: £7,419).

RMS GOOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. Creditors: amounts falling due within one year

	2019	2018
	£	£
Invoice financing facility	-	879,677
Finance leases (see note 12)	54,999	84,221
Trade creditors	1,051,401	1,189,938
Amounts owed to group undertakings	12,000	614,277
Corporation tax	143,439	40,878
Social security and other taxes	49,202	51,561
Other creditors	22,644	160,619
Accruals and deferred income	414,253	441,641
	<u>1,747,938</u>	<u>3,462,812</u>

The invoice financing facility is secured against trade debtors.

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

	2019	2018
	£	£
Finance leases (see note 12)	<u>106,277</u>	<u>141,207</u>

12. Hire purchase contracts and leasing agreements

Minimum payments on finance leases fall due as follows:

	2019	2018
	£	£
Net obligations repayable:		
Within one year	54,999	84,221
Between one and five years	106,277	119,962
In more than 5 years	-	21,245
	<u>161,276</u>	<u>225,428</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:

	2019	2018
	£	£
Amount due:		
Within one year	682,176	812,340
Between one and five years	2,514,389	2,511,029
After five years	3,760,704	4,284,672
	<u>6,957,269</u>	<u>7,608,041</u>

RMS GOOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. Secured debts

The following secured debts are included within creditors:

	2019	2018
	£	£
Finance leases	161,276	225,428
Invoice financing facility	-	879,677
	<u>161,276</u>	<u>1,105,105</u>

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

15. Provisions for liabilities

	2019	2018
	£	£
Deferred tax	<u>55,745</u>	<u>55,602</u>
		Deferred tax
		£
Balance at 1 January 2019		55,602
Deferred tax charge in the P&L		143
Balance at 31 December 2019		<u>55,745</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	2019	2018
			£	£
219,649	Ordinary	10p	<u>21,965</u>	<u>21,965</u>

The ordinary shares carry no right to fixed income and each carry the right to one vote at meetings of the company.

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 £42,769 (2018 - £44,596) represents contributions payable by the company to the schemes. The amount outstanding at 31 December 2019 was £9,672 (2018 - £6,514) and is included in other creditors.

RMS GOOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

19. Related party disclosures

Precision Stevedores Limited, a supplier of specialist, port operations focussed labour, is owned 50% by the ultimate parent company of RMS Goole Limited. Precision Stevedores Limited was incorporated on 19 April 2018. During the year, RMS Goole Limited made purchases from this company amounting to £150,583 (2018 - £138,585). A balance of £71,483 (2018 - £89,309) was due to Precision Stevedores Limited at 31 December 2019.

In addition, RMS Goole Limited made sales to this company in 2019 amounting to £112 (2018 - £40). A debtor balance of £nil (2018 - £48) was due from Precision Stevedores Limited at 31 December 2019.

One (2018 - one) director of the company has a loan with the company at the year-end of £5,000 (2018 - £5,000). No repayments have been made in respect of this loan during the year. No interest was charged on this loan.

20. 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.

21. 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 2019 was £4,651,674 (2018: £8,254,613).

22. Subsequent events

As a result of the COVID-19 pandemic, there was a dramatic downturn in global markets in March 2020. The outbreak impacted on the wider group and company's ability to trade and the directors continue to monitor the situation. The directors have prepared forecasts to 31 December 2021, together with continually monitoring the period post-31 December 2021 to cover at least 12 months from the date of issue of these financial statements, based on the latest trading conditions, which take account of the uncertainties created by the further lockdown imposed by the UK Government in January 2021. Further details are presented within the going concern accounting policy. The directors regard the impact of COVID-19 as a non-adjusting subsequent event and no adjustments have been made to the financial statements at 31 December 2019.