RM AUCTIONS LIMITED

REPORTS AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2017



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COMPANY INFORMATION

Directors Robert Mye

Robert Myers Gerald Hockin Shelby Myers

Registered number 05812660

Registered office 40 Queen Anne Street London

London W1G 9EL

Auditors Lewis Golden LLP

Chartered Accountants and Statutory Auditors

40 Queen Anne Street

London W1G 9EL

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their Strategic Report for the year ended 31 December 2017.

Business review

Performance during the year ended 31 December 2017 has fallen from the prior year with a profit on ordinary activities before taxation of £2.2m (2016 - £5.0m). Turnover decreased by 39% to £12.8m (2016 - £20.9m). In the prior year there were three auctions, Paris 2016, Monaco 2016 and Battersea 2016, and in the current year there were two auctions, Paris 2017 and Battersea 2017.

Principal risks and uncertainties

The company has treasury and liquidity management procedures in place appropriate to the size and complexity of the business. The directors monitor interest rates and the effect that the financing costs have on the financial results of the business.

The company is impacted by fluctuations in exchange rates and the company mitigates this risk by the operation of foreign currency bank accounts and a policy of matching payments and receipts. The company is part of an international group and liquidity and cash flow are monitored on a group level and cash is transferred within the group as required. In addition, the company may utilise forward exchange contracts to mitigate against adverse foreign exchange rate fluctuations on specific transactions.

Management is of the opinion that it is not exposed to significant price, credit, liquidity or cash flow risk.

The directors are currently assessing the potential impact of Britain leaving the European Union and the effects that this would have on the company.

Financial key performance indicators

Management review the company's performance monthly via management reports, with particular focus on cash flow, auction income and debt collection. In respect of private treaty sales, each sale is reviewed in respect of its net profit.

This report was approved by the board and signed on its behalf by:

Gerald Hockin

Director

Date: 23/04/2018

DIRECTORS' REPORT YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors

The directors who served during the year were:

Robert Myers Gerald Hockin Shelby Myers Edward Cepuran (resigned) William Ruprecht (resigned) Thomas Smith Jr (resigned)

Financial instruments

Financial instruments are considered in the Strategic Report on page 3 under principal risks and uncertainties.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk, credit risk, liquidity risk and cash flow risk are considered in the Strategic Report on page 3 under principal risks and uncertainties.

Future developments

There are not expected to be any material changes to the company's business objectives going forward.

Directors' liabilities

The company held third party indemnity insurance on behalf of the directors and officers of the company during the current and prior year.

Disclosure of information to the auditor

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

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

This report was approved by the board and signed on its behalf by:

Gerald Hockin

Director

Date: 23/04/2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Standards (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RM AUCTIONS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the financial statements of RM Auctions Limited ('the company') for the year ended 31 December 2017, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and related Notes set out on pages 10 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 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; and
- 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 United Kingdom, including the Financial Reporting Council'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 directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Directors' Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RM AUCTIONS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

Other information (continued)

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.

Opinion 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 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 Statement of Directors' Responsibilities on page 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RM AUCTIONS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

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: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's Report.

David Edwards (Senior Statutory Auditor)

for and on behalf of Lewis Golden LLP

Chartered Accountants and Statutory Auditors

40 Queen Anne Street London W1G 9EL

Date: 23 April 2018

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	3	12,823,900	20,937,062
Cost of sales		(7,988,668)	(13,262,222)
Gross profit		4,835,232	7,674,840
Administrative expenses		(2,657,474)	(2,669,031)
Operating profit	4	2,177,758	5,005,809
Interest receivable and similar income		3,808	8,252
Interest payable and similar charges		(1,195)	•
Profit on ordinary activities before taxation		2,180,371	5,014,061
Taxation on profit on ordinary activities	7	(425,478)	(1,034,545)
Profit on ordinary activities after taxation		1,754,893	3,979,516
Profit and loss account at the beginning of the year		14,587,433	10,607,917
Profit for the year		1,754,893	3,979,516
Profit and loss account at the end of the year		16,342,326	14,587,433

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	8		123,003		52,657
Current assets					
Stocks	9	3,648,751		10,473,581	
Debtors	10	11,844,170		4,705,031	
Cash at bank and in hand	11	6,155,969	_	9,125,780	
		21,648,890	•	24,304,392	
Creditors: amounts falling due within one year	12	(5,413,153)		(9,753,202)	
Net current assets			16,235,737		14,551,190
Total assets less current liabilities		•	16,358,740	•	14,603,847
Provisions	13		(16,413)		(16,413)
Net assets		·	16,342,327	_	14,587,434
Capital and reserves					· ·
Called up share capital	15		1		1
Profit and loss account	16	_	16,342,326	_	14,587,433
		•	16,342,327	•	14,587,434
				:	

Under section 454 of the Companies Act 2006, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Gerald Hockin

Director

Date: 23/04/2018

The notes on pages 10 to 20 form part of these financial statements.

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

Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Exemptions as a qualifying entity

statements are prepared by RM European Holdings Limited and are publicly available in the UK. The company is exempt from preparing a cash flow statement as a qualifying entity. Consolidated financial

1.3 Turnover

VAT and equivalent taxes, duty and other disbursements made on behalf of customers. Turnover comprises the value of charges for the sale of services and goods to third parties. Turnover excludes

Sale of goods

be when the company has transferred the significant risks and rewards of ownership to the buyer. when invoices or bills of sale are drawn up on completion of the sale. The completion of the sale is deemed to The company sells classic cars, motorcycles and memorabilia. Turnover from the sale of goods is recognised

Rendering of services

bills of sale are drawn up on completion of the sale of the relevant car at auction. auxiliary services such a car valuation. Turnover from the rendering of services is recognised when invoices or The company auctions classic cars on behalf of sellers and takes a fee for this service, and also provides

Commissions

ownership to the buyer. completion of the sale is deemed to be when the seller has transferred the significant risks and rewards of the commission is recognised when invoices or bills of sale are drawn up on completion of the sale. The The company sells classic cars on behalf of sellers and takes a commission for this service. Turnover from

Royalties

is recognised corresponds to the period in which the group income is generated. The company receives royalties based on its contribution to group income. The period in which royalty income

1.4 Dividends

Equity dividends are recognised when they become legally payable.



1. Accounting policies (continued)

1.5 Financial instruments

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of its net realisable value, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.6 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following bases:

Short leasehold land and buildings - 33% straight line per annum Plant & machinery - 25% straight line per annum Motor vehicles - 20% straight line per annum

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

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

1.7 Stocks

Stocks are stated at the lower of cost and the estimated selling price less costs to sell. The directors gain comfort over the stock valuation by reviewing post year end sales and having an excellent grasp of the market in which the company operates.

Stocks are sometimes held in conjunction with a third party. The value of such items recognised in stock is in line with the signed agreement, which is usually 50%. The share held by the third party is either recognised in debtors or cash at bank and in hand as appropriate.

1.8 Debtors

Debtors are measured at transaction price, less any impairment.

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

1. Accounting policies (continued)

1.9 Cash at bank and in hand

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.10 Creditors

Creditors are measured at transaction price.

1.11 Taxation

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

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

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

1.12 Foreign currency translation

The company's functional and presentational currency is GBP.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of Financial Position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Any differences are taken to the Statement of Income and Retained Earnings.

1.13 Pensions

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

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

1.14 Operating leases

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

1.15 Related party transactions

Related party transactions have been disclosed in line with Section 33 of FRS 102, 'Related Party Disclosures'. The directors oversee and are engaged with the operational activities of the company and therefore have a detailed knowledge of which related entities or individuals have entered into transactions with the company during the year.

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

1. Accounting policies (continued)

1.16 Estimation uncertainty

The directors do not believe that there are any material sources of uncertainty around any estimates underlying the preparation of these financial statements.

2. General information

RM Auctions Limited is a private company, limited by share capital and incorporated in England and Wales, registered number 05812660. The address of the registered office is 40 Queen Anne Street, London W1G 9EL. The principal place of business is 39-42 New Bond Street, London W1S 2SQ.

3. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Sales of goods	5,252,766	9,446,066
Rendering of services	4,242,846	6,477,473
Commissions	158,912	554,118
Royalties	3,169,376	4,459,405
	12,823,900	20,937,062
Analysis of turnover by country of destination:		
	2017 £	2016 £
United Kingdom	1,397,920	5,390,715
Rest of Europe	10,127,764	11,158,160
Rest of the world	1,298,216	4,388,187
	12,823,900	20,937,062

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

4.	Operating profit		
	The operating profit is stated after charging:		
		2017 £	2016 á
	Fees payable to the company's auditor and its associates for the audit of the	_	_
	company's annual accounts	23,000	24,000
	Operating leases	137,129	104,346
	Foreign exchange losses	189,388	388,767
	Defined contribution pension scheme	29,276	21,000
5.	Employees		
	Staff costs, including directors' remuneration, were as follows:		
	•	2017 £	2016 £
	Wages and salaries	1,078,325	774,165
	Social security costs	268,559	183,502
	Cost of defined contribution pension scheme	29,276	21,000
		1,376,160	978,667
	The average monthly number of employees, including the directors, during the year	ar was as follows:	
		2017	2016
		No.	No.
	Administration and support	9	6
	Sales	6	5
		15	11
6.	Directors' remuneration		
		4045	204
		2017 £	2016 £
	Directoral amplyments	ow.	
	Directors' emoluments	-	111,705

During the year retirement benefits were accruing to no directors (2016 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £nil (2016 - £111,705).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2016 - £3,500).

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

Taxation		•
	2017 ₤	2016 £
Corporation tax		
Current tax on profits for the year	425,478	1,034,545
Total current tax	425,478	1,034,545
Factors affecting tax charge for the year		
The tax assessed for the year is higher than (2016 - higher than) the standard rate 19.25% (2016 - 20%). The differences are explained below:	of corporation tax	in the UK of
	of corporation tax 2017 £	2016
	2017	2016
19.25% (2016 - 20%). The differences are explained below:	2017 £	2016 £
19.25% (2016 - 20%). The differences are explained below: Profit on ordinary activities before tax Profit on ordinary activities multiplied by standard rate of corporation tax in the	2017 £ 2,180,371	2016 £ 5,014,061
19.25% (2016 - 20%). The differences are explained below: Profit on ordinary activities before tax Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	2017 £ 2,180,371	2016 £ 5,014,061
19.25% (2016 - 20%). The differences are explained below: Profit on ordinary activities before tax Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%) Effects of:	2017 £ 2,180,371 ————————————————————————————————————	2016 £ 5,014,061 1,002,812
19.25% (2016 - 20%). The differences are explained below: Profit on ordinary activities before tax Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%) Effects of: Expenses not deductible for tax purposes	2017 £ 2,180,371 ————————————————————————————————————	2016 £ 5,014,061 1,002,812 31,468
Profit on ordinary activities before tax Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%) Effects of: Expenses not deductible for tax purposes Capital allowances for year in excess of depreciation	2017 £ 2,180,371 419,722 16,418 (11,090)	2016 £ 5,014,061 1,002,812 31,468 3,644

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

8. Tangible fixed assets

	Short leasehold land and buildings £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2017	81,544	157,358	22,000	260,902
Additions	21,035	110,951	-	131,986
Disposals	(81,544)	(32,180)	-	(113,724)
At 31 December 2017	21,035	236,129	22,000	279,164
Depreciation				
At 1 January 2017	81,544	112,586	14,115	208,245
Charge for the year on owned assets	6,757	49,366	4,400	60,523
Disposals	(81,544)	(31,063)	-	(112,607)
At 31 December 2017	6,757	130,889	18,515	156,161
Net book value				
At 31 December 2017	14,278	105,240	3,485	123,003
At 31 December 2016	<u>-</u>	44,772	7,885	52,657

9. Stocks

	2017 £	2016 £
Finished goods and goods for resale	3,648,751	10,473,581

Finished goods and goods for resale includes £2,955,437 (2016 - £2,627,527) which relates to the company's share in stock held with a third party. The share held by a third party is recognised in debtors and cash at bank and in hand as appropriate.

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

10. Debtors

÷	2017 ₤	2016 £
Trade debtors	903,679	153,848
Amounts owed by group undertakings	6,856,099	4,077,496
Other debtors	3,525,399	73,218
Prepayments and accrued income	558,993	400,469
	11,844,170	4,705,031

11. Cash at bank and in hand

Cash at bank and in hand includes £4,307,775 (2016 - £4,373,600) in respect of amounts held on behalf of customers maintained using a separate client account. A corresponding liability is included in trade creditors.

12. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	4,802,229	4,935,953
Amounts owed to group undertakings	153,330	4,053,079
Corporation tax	•	351,707
Taxation and social security	320,589	56,789
Other creditors	3,933	59,348
Accruals and deferred income	133,072	296,326
	5,413,153	9,753,202

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

13.	Provisions		
	·		Deferred tax liability £
	At 1 January 2017		16,413
	At 31 December 2017		16,413
	Analysis of deferred tax liability	2017	2016
		2017 £	2016 · £
	Differences between accumulated depreciation and amortisation and capital allowances	16,413	16,413
14.	Financial instruments		
		2017 £	2016 £
	Financial assets - held at amortised cost		
	Trade debtors	903,679	153,848
	Amounts due from related parties	6,856,099	4,077,496
	Other debtors	3,370,030	33,068
	Total	11,129,808	4,264,412
		2017 £	2016 £
	Financial liabilities - held at amortised cost		
	Trade creditors	4,802,229	4,935,953
	Amounts due to related parties	153,330	4,053,079
	Accruals	133,072	296,326
	Total	5,088,631	9,285,358

Financial assets comprise trade debtors, amounts owed from group undertakings, accrued income and other debtors, excluding VAT and corporation tax. See note 10.

Financial liabilities comprise trade creditors, amounts owed to group undertakings and accruals. See note 12.



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

15.

Share capital			
		2017	2016
		£	£
Allotted, called up and fully paid shares			
1 Ordinary share of £1	`	1	1

The ordinary shareholder is entitled to the full voting rights in any circumstances and the ordinary shareholder is also entitled to dividend payments or any other distribution, including a distribution arising from a winding up of the company.

16. Reserves

Profit and loss account - includes all current and prior period retained profits and losses. The profit and loss acount is 100% distributable.

17. Commitments under operating leases

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

	2	2017 £	2016 £
Not later than 1 year		100,112	94,885
Later than 1 year and not later than 5 years		274,286	374,398
Total		374,398	469,283



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

18. Related party transactions

During the year, the company had the following related party transactions:

Key management remuneration totalled £324,858 (2016 - £442,898) during the year.

At the Statement of Financial Position date the amount due to the immediate parent company was £62,090 (2016 - £62,090).

At the Statement of Financial Position date the amount due to companies under common control was £91,240, (2016 - £3,990,989) and the amount due from companies under common control was £6,856,099 (2016 - £4,077,496).

The intercompany borrowings are unsecured, non-interest bearing and have no fixed date for repayment.

19. Controlling party

The company's ultimate controlling party are the trustees of the Myers Family Trust by virtue of its shareholding in RJM Family Holdings Inc., the ultimate parent entity.

The immediate parent company is RM European Holdings Limited.

Consolidated financial statements are prepared by RM European Holdings Limited and are publicly available from the Companies House website.