

Registered Number 03087786

RM (International) Limited
Annual Report and Financial Statements
For the 52 weeks ended 26 March 2017



RM (International) Limited

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RM (International) Limited

Directors' report

The Directors present the Annual Report and Financial Statements for RM (International) Limited (the Company). These financial statements relate to the 52 weeks ended 26 March 2017 (2015-16: 52 weeks ended 27 March 2016).

Directors and their interests

The following have served as Directors of the Company during the period ended 26 March 2017 and up to the date of approval of these financial statements unless otherwise specified:

Kulbinder Dosanjh

Michael Jeavons

No Director has a beneficial interest in the share capital of the Company.

Principal activities

The Company's principal activity is the provision of technical, managerial and consultancy assistance to foreign postal businesses and governments.

Results and dividends

The profit for the period after tax was £453,000 (2015-16: £445,000). The Directors do not recommend a dividend (2015-16: £nil).

Review of the business and future developments

The Company continues to operate a branch office in Qatar and is providing managerial and technical assistance to Qatar Post.

Through monitoring of key financial and quality of service indicators, the Directors consider the performance and position of the Company to be in line with expectations.

Key Performance Indicators (KPIs)

The Directors consider a number of financial and non-financial KPIs in monitoring the performance of the Company, which are as follows:

- Profit and Loss
- Client Satisfaction
- Delivery of Project Objectives

The Directors are satisfied that the Company has met its expectations with respect to KPIs this period.

Principal risks and uncertainties

The principal risk faced by the Company is operating in countries outside the UK.

This risk is mitigated by robust legal, accountancy and diplomatic support and advice provided by experts within each country in which it operates.

Corporate responsibility

The Company is committed to carrying out its activities in a socially responsible manner in respect of the environment, customers and local communities. The Board of the ultimate parent company, Royal Mail plc, publishes details of its activities in this regard in its Annual Report and Financial Statements.

Research and development

Expenditure in the period amounted to £nil (2015-16: £nil).

Political donations

There were no political donations made in the period (2015-16: £nil).

Audit information

The Directors confirm that, so far as they are aware, there is no relevant audit information of which the auditor is unaware and that each Director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

RM (International) Limited

Directors' report (continued)

Indemnity of Directors

To the extent permitted by the Companies Act 2006, the Company may indemnify any Director or former Director of the Company or any associated company against any liability. The ultimate parent undertaking, Royal Mail plc holds a Directors' and Officers' liability insurance policy covering the Directors and Officers or former Directors of its subsidiary undertakings against any liability.

Cautionary statement regarding forward-looking information

Where this review contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of their approval of this Report. These statements should be treated with caution due to the inherent risks and uncertainties underlying any such forward-looking information. A number of important factors, including those in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

Going concern

The Company had net assets of £950,000 at 26 March 2017 (2015-16: £497,000). After analysis of all factors, including those stated above, and the favourable cash headroom forecasts for the Company's parent company, Royal Mail Group Limited, the Directors of the Company consider it appropriate to prepare the financial statements on a going concern basis.

Auditor

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The Directors have taken advantage of the small companies exemption from the requirement to prepare a Strategic report.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By Order of the Board



Michael Jeavons

Director

RM (International) Limited

Registered Number: 03087786

Registered Office: 100 Victoria Embankment, London, EC4Y OHQ

18 July 2017

Independent Auditor's Report to the members of RM (International) Limited

We have audited the financial statements of RM (International) Limited for the period ended 26 March 2017 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 26 March 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial period is consistent with the financial statements.

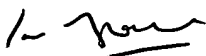
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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



Ian Griffiths (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
20 July 2017

RM (International) Limited

Income statement

for the 52 weeks ended 26 March 2017 and 52 weeks ended 27 March 2016

	Notes	52 weeks 2017 £000	52 weeks 2016 £000
Continuing operations			
Revenue	2	1,887	1,893
People costs	3	(1,038)	(996)
Other operating costs	4	(359)	(390)
Profit before tax		490	507
Tax charge	6	(37)	(62)
Profit for the period		453	445

Statement of comprehensive income

for the 52 weeks ended 26 March 2017 and 52 weeks ended 27 March 2016

There is no comprehensive income other than the profit attributable to the Company of £453,000 (2015-16: £445,000).

Statement of changes in equity

for the 52 weeks ended 26 March 2017 and 52 weeks ended 27 March 2016

	Share capital £000	Retained earnings £000	Total equity £000
Balance at 29 March 2015	-	52	52
Profit for the period	-	445	445
Balance at 27 March 2016	-	497	497
Profit for the period	-	453	453
Balance at 26 March 2017	-	950	950

RM (International) Limited

Balance sheet

at 26 March 2017 and 27 March 2016

	Notes	2017 £000	2016 £000
Current assets			
Trade and other receivables	7	616	313
Cash and cash equivalents		442	263
		1,058	576
Current liabilities			
Trade and other payables	8	(69)	(17)
Income tax payable		(39)	(62)
Net assets		950	497
Equity			
Share capital	9	-	-
Retained earnings		950	497
Total equity		950	497

The financial statements on pages 5 to 10 were approved by the Board of Directors on 18 July 2017 and were signed on its behalf by:



Michael Jeavons

Director

RM (International) Limited

Registered Number: 03087786

Registered Office: 100 Victoria Embankment, London, EC4Y 0HQ

18 July 2017

RM (International) Limited

Notes to the financial statements

1. Accounting policies

The following accounting policies apply throughout the Company:

Financial period

The financial period ends on the last Sunday in March and accordingly, these financial statements are made up to the 52 weeks ended 26 March 2017 (2015-16: 52 weeks ended 27 March 2016).

Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of the Company for the period ended 26 March 2017 were authorised for issue by the board of Directors on 18 July 2017. The Company is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

Basis of preparation

The Company has applied FRS 101 for all periods presented. The accounting policies which follow set out those policies which apply in preparing the financial statements for the reporting year ended 26 March 2017.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1 (reconciliation of shares outstanding);
- (b) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B-D, 40A-D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*;
- (c) the requirements of IAS 7 *Statement of Cash Flows*;
- (d) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- (e) the requirements of paragraph 17 and 18(a) of IAS 24 *Related Party Disclosures* (key management compensation and related party transaction amounts); and
- (f) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Accounting standards issued but not yet applied

No new UK Accounting Standards, which affect the presentation of these financial statements, have been issued or applied during the reporting year.

Changes in accounting policy

The accounting policies are consistent with those of the previous financial period.

Key sources of estimation uncertainty and critical accounting judgements

There have been no sources of estimation uncertainty or critical accounting judgements identified within the Company that are expected to have a significant impact on amounts recognised in the financial statements.

RM (International) Limited

1. Accounting policies (continued)

Intercompany transactions

The parent company operates through business units that make use of the services of other companies within the Group in order to take advantage of Group synergies, having regard to the mutual dependencies that exist. The intercompany transactions recognise these dependencies and are reached through negotiation between the respective companies.

Foreign currencies

The functional and presentational currency of the Company is £ Sterling.

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. Currently hedge accounting is not claimed for any monetary assets and liabilities. All differences are therefore taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

2. Revenue

Revenue is derived from specific contracts and is recognised at the time the service is provided. All revenue relates to the provision of technical, managerial and consultancy assistance to foreign postal businesses and governments.

3. People costs and numbers

Under an agreement between the Company and its immediate parent company Royal Mail Group Limited, people working in the Company are provided by Royal Mail Group Limited. The Company meets the full costs of employment. The following information is provided about these people:

	2017 £000	2016 £000
Wages and salaries	(543)	(500)
Social security costs	(7)	(45)
Pension costs	(107)	(91)
Temporary resource	(381)	(360)
Total	(1,038)	(996)

People numbers, calculated on a headcount basis and including part-time employees were:

	Period end employees		Average employees	
	52 weeks 2017	52 weeks 2016	52 weeks 2017	52 weeks 2016
Total employees	5	5	5	5

4. Other operating costs

Other operating costs of £359,000 (2015-16: £390,000) mainly relate to management consultancy and travel costs incurred.

Auditor's remuneration amounted to £6,000 (2015-16: £6,000) for the audit of the statutory financial statements and was met by the immediate parent company, Royal Mail Group Limited. The auditor did not provide any non-audit services for the 52 weeks ended 26 March 2017 (2015-16: £nil).

RM (International) Limited

5. Directors' remuneration

The Directors are employees of other undertakings within the Royal Mail Group and did not perform substantive services for the Company during the period, therefore the Directors did not receive any remuneration from the Company during the period (2015-16: £nil).

There are no pension contributions to Directors in respect of qualifying services.

6. Taxation

(a) Tax charges recognised in the period

	52 weeks 2017 £000	52 weeks 2016 £000
Tax charged in the income statement		
Current income tax:		
Foreign corporation tax charge for year	(44)	(56)
Tax over/(under) provided in previous periods	7	(6)
Total current income tax charge	(37)	(62)
Deferred tax charge	-	-
Total tax charge in the income statement	(37)	(62)

(b) Reconciliation of the total tax charge

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 20% (2015-16: 20%). The differences are explained below:

	52 weeks 2017 £000	52 weeks 2016 £000
Profit before tax	490	507
At UK standard rate of corporation tax of 20% (2015-16: 20%)	(98)	(101)
Foreign permanent establishment exemption	98	101
Effect of taxes on overseas earnings	(44)	(56)
Adjustment in respect of prior periods	7	(6)
Tax charge in the income statement (see table above)	(37)	(62)

(c) Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20 per cent to 19 per cent (effective from 1 April 2017) and to 17 per cent (effective 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively. In future, this will reduce the Company's current tax charge accordingly.

(d) Deferred taxation

The Company has no recognised or unrecognised deferred tax assets or liabilities.

7. Trade and other receivables

	At 26 March 2017 £000	At 27 March 2016 £000
Trade receivables	159	313
Prepayments	2	-
Amounts owed by Group entities	455	-
Total	616	313

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8. Trade and other payables

	At 26 March 2017 £000	At 27 March 2016 £000
Trade payables and accruals	(69)	-
Amounts owed to Group entities	-	(17)
Total	(69)	(17)

9. Issued share capital

	At 26 March 2017 £	At 27 March 2016 £
Authorised		
100 ordinary shares of £1 each	100	100
Total	100	100
Issued		
2 ordinary shares of £1 each	2	2
Total	2	2

10. Related party information

The Company has taken advantage of two of the exemptions conferred by FRS 101.8, whereby certain details regarding transactions with 100% owned subsidiaries within the same Group do not have to be disclosed where Group financial statements are publicly available; and disclosures relating to key management personnel compensation are not required.

There were no transactions with related parties which were not 100% owned Group subsidiaries.

The sales to and purchases from related parties are made at normal market prices. Balances outstanding at the period end are unsecured, interest free and settlement is made by cash.

11. Immediate and ultimate parent company

At 26 March 2017, Royal Mail Group Limited is the immediate parent company and Royal Mail plc is the ultimate parent company. The results of the Company are included in the Royal Mail plc Annual Report and Financial Statements, which are available from the Company Secretary, 100 Victoria Embankment, London, EC4Y 0HQ or at www.royalmailgroup.com.