

**Registration number NI029828**

**H.M.T. Shipping Limited  
Strategic Report,  
Directors' Report  
and  
Consolidated Financial Statements  
Year Ended 31 March 2019**

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## **H.M.T. Shipping Limited**

### **Company information**

<b>Directors</b>	Gerard Hughes Jarlath Magee Gerard Magee
<b>Secretary</b>	Gerard Magee
<b>Company number</b>	NI029828
<b>Registered office</b>	Milltown Industrial Estate Warrenpoint Co Down BT34 3FN
<b>Auditors</b>	Jones Peters Hughes House 6 Church Street Banbridge BT32 4AA
<b>Business address</b>	Milltown Industrial Estate Warrenpoint Co Down BT34 3FN
<b>Bankers</b>	Ulster Bank 2 Charlotte Street Warrenpoint BT34 3LF
<b>Solicitors</b>	Rosemary Connolly Solicitors 2 The Square Warrenpoint Co Down BT34 3JT

# **H.M.T. Shipping Limited**

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**H.M.T. Shipping Limited**  
**Strategic Report**  
**for the year ended 31 March 2019**

The Directors present their strategic report on the group for the year ended 31 March 2019.

**REVIEW OF THE BUSINESS**

The principal activities of the group are shipping, the provision of cross channel freight, freight forwarding services and palletised distribution. No change is contemplated in these activities.

**Results and performance**

We aim to present a balanced and comprehensive review of the development and performance of the group during the year and its position at the year end. Our review is consistent with the size and non-complex nature of the group and is written in the context of the risks and uncertainties faced.

The directors are pleased to report another profitable year despite ongoing difficult market conditions. Turnover decreased by £1,413,470 in the year with gross profit margin also decreasing from 23.78% in 2018 to 21.98% in 2019. Distribution and administration expenses have also decreased in the year in line with the decreased turnover, by £42,325 and £27,700 respectively. The group achieved a net profit before tax for the year of £1,309,415 compared to a net profit before tax of £1,375,581 in 2018.

The group has a sound financial position at the year end with net assets of £5,471,804 (2018: £4,695,759).

**Key Performance Indicators**

The group experienced another successful year despite ongoing difficult market conditions and has achieved results in line with budgets and expectations.

	<b>2019</b>	<b>2018</b>
Turnover	£27.19m	£25.78m
Gross Profit Percentage	21.98%	23.78%
Operating Profit	£1,399,119	£1,473,734
EBITDA	£2,737,225	£2,778,758

**Business Environment**

The group is well established in the shipping, cross channel freight services, freight forwarding and palletised distribution industries in Northern Ireland and the North West of England. The group has managed to maintain consistent levels of turnover and gross profit year on year.

## **H.M.T. Shipping Limited**

### **Strategic Report for the year ended 31 March 2019**

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The process of risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the group and the Directors and Finance Department take on an important overview in this regard.

#### **Financial risk management objectives and policies**

The main risks to the group's operations are liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous years.

##### ***Liquidity risk***

The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the group has sufficient available funds for operations and planned expansions.

##### ***Interest rate risk***

The group finances its operations through a mixture of retained profits, cash and bank loans. The group has negotiated competitive loan rates to limit its exposure to interest rate fluctuations.

##### ***Credit risk***

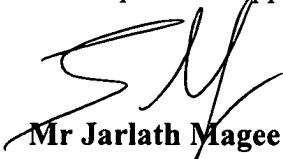
Investments of cash surpluses and borrowings are made through reputable financial institutions which must fulfil criteria approved by the directors. All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

#### **STRATEGY AND DEVELOPMENT**

The group's success is dependent on understanding and meeting the developing needs of customers and developing innovative solutions for their needs.

The group will continue to consolidate its position and concentrate on achieving maximum growth in its market sector while at the same time continuing to improve efficiency in all areas of its operations. With its strong capital base and proven track record the group believes it will be well placed to retain existing customers and generate new business.

This report was approved by the Board on 4 December 2019 and signed on its behalf by:

  
**Mr Jarlath Magee**  
**Director**

**H.M.T. Shipping Limited**  
**Directors' Report**  
**for the year ended 31 March 2019**

The directors present their report and the group financial statements for the year ended 31 March 2019.

**Directors and their interests**

The directors who served during the year are as stated below:

Gerard Magee  
Jarlath Magee  
Gerard Hughes

No changes have taken place in the interests of the above directors between 31 March 2019 and the date the financial statements were approved.

**Results and dividends**

The results of the group for the year are set out on page 8.

The directors have paid an interim dividend amounting to £200,000 and they do not recommend payment of a final dividend.

**Future developments**

The likely future developments in the business of the group are discussed in the strategic report.

**Financial instruments**

The main risks arising from the group's operations are liquidity risk, interest rate risk and credit risk. The directors consider that price and market risks are insignificant. The directors review and agree policies for managing each of these risks and they are summarised in the Strategic Report. The policies have remained unchanged from previous years.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, 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 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 group and of the profit or loss of the company and group for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business.

## **H.M.T. Shipping Limited**

### **Directors' Report for the year ended 31 March 2019**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to the auditors**

We, as the directors of the group who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the group's auditors are unaware; and
- we have taken all steps that we ought to have taken, as directors to make ourselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

#### **Auditors**

Jones Peters are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board on 4 December 2019 and signed on its behalf by:



**Mr Jarlath Magee**  
**Director**

## **H.M.T. Shipping Limited**

### **Independent Auditor's Report to the members of H.M.T. Shipping Limited for the year ended 31 March 2019**

#### **Opinion**

We have audited the group and parent company financial statements of H.M.T. Shipping Limited for the year ended 31 March 2019 which comprise the group Profit and Loss Account and Retained Earnings, the group and parent company Balance Sheets, the group Statement of Cash Flows and the related 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).

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 auditors' 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 shareholders 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 group and parent company's affairs as at 31 March 2019 and of the group's 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 group 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 were:

- 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 group's or the parent 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.



## **H.M.T. Shipping Limited**

### **Independent Auditor's Report to the members of H.M.T. Shipping Limited for the year ended 31 March 2019**

#### **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 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.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

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

- adequate accounting records have not been kept by the group or parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent company financial statements are not in agreement with the accounting records and the 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, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **H.M.T. Shipping Limited**

### **Independent Auditor's Report to the members of H.M.T. Shipping Limited for the year ended 31 March 2019**

#### **Auditor's responsibilities for the audit of the financial statements**

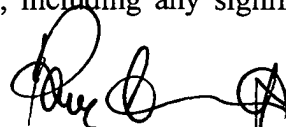
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it not a guarantee 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 those financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group or parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Hughes House  
6 Church Street  
Banbridge  
Co Down  
BT32 4AA**



**Paul Cummings (Senior Statutory Auditor)  
For and on behalf of Jones Peters  
Chartered Accountants and  
Statutory Auditors  
4 December 2019**

# H.M.T. Shipping Limited

## Consolidated Profit and Loss Account and Retained Earnings for the year ended 31 March 2019

		Continuing operations	
	Notes	2019 £	2018 £
<b>Turnover</b>	<b>3</b>	27,194,958	25,781,488
Cost of sales		<u>(21,217,074)</u>	<u>(19,651,806)</u>
<b>Gross profit</b>		5,977,884	6,129,682
Distribution costs		(2,669,207)	(2,711,532)
Administrative expenses		(1,934,039)	(1,961,739)
Other operating income	<b>4</b>	<u>24,481</u>	<u>17,323</u>
<b>Operating Profit</b>	<b>5</b>	1,399,119	1,473,734
Interest payable and similar charges	<b>6</b>	<u>(89,704)</u>	<u>(98,153)</u>
<b>Profit before taxation</b>		1,309,415	1,375,581
<b>Tax on profit</b>	<b>9</b>	<u>(263,371)</u>	<u>(342,510)</u>
<b>Profit after taxation</b>		1,046,044	1,033,071
<b>Minority interest</b>		<u>(116,357)</u>	<u>(131,281)</u>
<b>Profit for the financial year</b>		<u>929,687</u>	<u>901,790</u>
Dividends declared and paid or payable during the year	<b>10</b>	(200,000)	(200,000)
<b>Retained earnings at the start of the year</b>		<u>4,298,874</u>	<u>3,597,084</u>
<b>Retained earnings at the end of the year</b>		<u>5,028,561</u>	<u>4,298,874</u>

All of the activities of the group are from continuing operations.

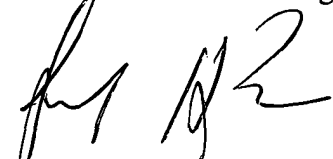
The notes on pages 12 to 24 form an integral part of these consolidated financial statements.

# H.M.T. Shipping Limited

## Consolidated Balance Sheet as at 31 March 2019

	Notes	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	11		5,777,891		6,016,589
Investments	12		<u>27,600</u>		<u>27,600</u>
			5,805,491		6,044,189
<b>Current assets</b>					
Debtors	13	4,780,797		4,555,360	
Cash at bank and in hand	14	<u>2,033,780</u>		<u>1,523,718</u>	
		6,814,577		6,079,078	
<b>Creditors: amounts falling due within one year</b>	15	<u>(5,843,550)</u>		<u>(5,783,194)</u>	
<b>Net current assets</b>			<u>971,027</u>		<u>295,884</u>
<b>Total assets less current liabilities</b>			6,776,518		6,340,073
<b>Creditors: amounts falling due after more than one year</b>	16		(1,212,693)		(1,529,707)
<b>Provisions for liabilities</b>	18		<u>(92,021)</u>		<u>(114,607)</u>
<b>Net assets</b>			<u>5,471,804</u>		<u>4,695,759</u>
<b>Capital and reserves</b>					
Called up share capital	20		100		100
Profit and loss account			<u>5,028,561</u>		<u>4,298,874</u>
Shareholders' funds			5,028,661		4,298,974
Minority Interest			<u>443,143</u>		<u>396,785</u>
			<u>5,471,804</u>		<u>4,695,759</u>

The consolidated financial statements were approved and authorised for issue by the Board on 4 December 2019 and signed on its behalf by:



Mr Gerard Hughes  
Director



Mr Gerard Magee  
Director

Registration number NI029828

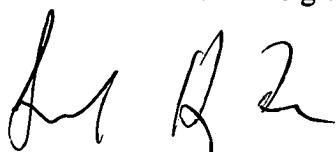
The notes on pages 12 to 24 form an integral part of these consolidated financial statements.

# H.M.T. Shipping Limited

## Parent Company Balance Sheet as at 31 March 2019

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	11.1	2,709,015	2,659,696
Investments	12.1	<u>75</u>	<u>75</u>
		2,709,090	2,659,771
<b>Current assets</b>			
Debtors	13	3,414,212	3,315,607
Cash at bank and in hand	14	<u>1,231,659</u>	<u>820,787</u>
		4,645,871	4,136,394
<b>Creditors: amounts falling due within one year</b>	15	<u>(4,330,775)</u>	<u>(4,190,071)</u>
<b>Net current (liabilities)</b>		<u>315,096</u>	<u>(53,677)</u>
<b>Total assets less current liabilities</b>		3,024,186	2,606,094
<b>Creditors: amounts falling due after more than one year</b>	16	(470,247)	(432,773)
<b>Provisions for liabilities</b>	18	<u>(2,269)</u>	<u>(2,269)</u>
<b>Net assets</b>		<u>£2,551,670</u>	<u>£2,171,052</u>
<b>Capital and reserves</b>			
Called up share capital	20	100	100
Profit and loss account		<u>2,551,570</u>	<u>2,170,952</u>
<b>Shareholders' funds</b>		<u>£2,551,670</u>	<u>£2,171,052</u>

The company's financial statements were approved and authorised for issue by the Board on 4 December 2019 and signed on its behalf by:



Mr Gerard Hughes  
Director



Mr Gerard Magee  
Director

Registration number NI 029828

The notes on pages 12 to 24 form an integral part of these consolidated financial statements.

# H.M.T Shipping Limited

## Consolidated Statement of Cash Flows for the year ended 31 March 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		1,046,045	1,033,071
<i>Adjustments for:</i>			
Depreciation of tangible assets		1,402,208	1,277,328
Interest payable and similar charges		89,704	98,153
(Gain)/loss on disposal of tangible assets		(64,031)	27,697
Tax on profit on ordinary activities		263,371	342,510
Accrued (income)/expenses		25,591	-
<i>Changes in:</i>			
Trade and other debtors		(143,699)	(502,241)
Trade and other creditors		<u>(114,587)</u>	<u>327,905</u>
Cash generated from operations		2,504,602	2,604,423
Interest paid		(159,704)	(168,153)
Tax paid		<u>(322,797)</u>	<u>(275,292)</u>
Net cash from/(used in) operating activities		<u>2,022,101</u>	<u>2,160,978</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(1,195,500)	(1,813,408)
Proceeds from sale of tangible assets		<u>96,021</u>	<u>56,300</u>
Net cash used in investing activities		<u>(1,099,479)</u>	<u>(1,757,108)</u>
<b>Cash flows from financing activities</b>			
(Repayments of)/proceeds from borrowings		(132,287)	(128,805)
Net movement in HP/finance leases		(80,273)	140,550
Equity dividends paid		<u>(200,000)</u>	<u>(200,000)</u>
Net cash (used in)/from financing activities		<u>(412,560)</u>	<u>(266,555)</u>
<b>Net increase in cash and cash equivalents</b>		510,062	215,615
<b>Cash and cash equivalents at beginning of year</b>	<b>14</b>	<u>1,523,718</u>	<u>1,308,103</u>
<b>Cash and cash equivalents at end of year</b>	<b>14</b>	<u>2,033,780</u>	<u>1,523,718</u>

The notes on pages 12 to 24 form an integral part of these consolidated financial statements.

## **H.M.T Shipping Limited**

### **Notes to the financial statements for the year ended 31 March 2019**

#### **1. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

#### **2. General Information**

H.M.T. Shipping Limited is a private company limited by shares incorporated in Northern Ireland, United Kingdom. The address of the registered office is given on the company information page of these financial statements.

The nature of the company and group's operations are shipping, cross channel freight services, freight forwarding and palletised distribution.

#### **Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost contention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity and are rounded to the nearest £.

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.

##### **Basis of consolidation**

The group financial statements consolidate the financial statements of H.M.T. Shipping Limited and its subsidiary undertaking, H.M.T. (Groupage) Limited (NI 601377), drawn up to 31 March each year. As permitted by section 408(3) of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements.

##### **Judgements and key sources of estimation uncertainty**

The following judgements (apart from those involving estimates) have been made in the process of applying the below accounting policies that have had the most significant effect on amounts recognised in the financial statements.

##### *Useful lives of tangible fixed assets*

The annual depreciation charge depends primarily on the estimated lives of each asset and in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of assets. Changes in useful economic lives can have a significant impact on the depreciation charge for the financial year.

## **H.M.T Shipping Limited**

### **Notes to the financial statements for the year ended 31 March 2019**

#### **Going concern**

The directors have considered at least twelve months from the date of approval of the financial statements which demonstrate that there is no material uncertainty regarding the group and the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised 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 reporting date that are expected to apply to the reversal of the timing difference.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.



## **H.M.T Shipping Limited**

### **Notes to the financial statements for the year ended 31 March 2019**

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold properties	-	Straight line over the life of the lease
Land and buildings	-	Straight line over 50 years
Plant and machinery	-	15-25% straight line
Fittings, fixtures and equipment	-	33% and 25% straight line
Motor vehicles	-	33% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

#### **Fixed asset investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

#### **Hire purchase and finance leases**

Assets held under hire purchase and finance leases are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event or when it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Balance Sheet and the amount of the provision as an expense.

## H.M.T Shipping Limited

### Notes to the financial statements for the year ended 31 March 2019

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

#### Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### Defined contribution pension plans

Contributions to defined contribution pension plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

3. Turnover	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Turnover arises from:				
Rendering of services	<u>27,194,958</u>	<u>25,781,488</u>	<u>18,921,994</u>	<u>17,785,475</u>

The geographical analysis of turnover has not been included, as the directors are of the opinion that such disclosures would be seriously prejudicial to the company's competitive position.

# H.M.T. Shipping Limited

## Notes to the financial statements for the year ended 31 March 2019

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
<b>4. Other operating income</b>				
Storage	<u>24,481</u>	<u>17,323</u>	<u>-</u>	<u>-</u>
<b>5. Operating Profit</b>				
	2019	2018	2019	2018
	£	£	£	£
Operating profit is stated after charging:				
Depreciation of tangible assets	1,402,208	1,277,328	913,641	824,432
Defined contribution pension plans expense	146,099	135,136	87,958	86,519
Auditors' remuneration	12,090	11,750	8,140	7,800
Loss on disposal of tangible assets	<u>-</u>	<u>27,697</u>	<u>-</u>	<u>28,096</u>
and after crediting:				
Profit on disposal of tangible fixed assets	(64,031)	-	(58,431)	-
Foreign exchange differences	<u>(14,839)</u>	<u>(21,034)</u>	<u>(14,839)</u>	<u>(21,034)</u>
<b>6. Interest payable and similar charges</b>				
	2019	2018	2019	2018
	£	£	£	£
Bank overdraft interest	72	152	72	152
Interest payable on bank loans	36,898	41,991	-	-
Hire purchase interest	<u>52,734</u>	<u>56,010</u>	<u>31,283</u>	<u>32,250</u>
	<u>89,704</u>	<u>98,153</u>	<u>31,355</u>	<u>32,402</u>
<b>7. Staff costs</b>				
	2019	2018	2019	2018
	£	£	£	£
<b>Number of employees</b>				
The average number of persons employed by the company during the year, including directors, amounted to:				
Administration and management	25	24	13	12
Sales and distribution	<u>79</u>	<u>78</u>	<u>24</u>	<u>27</u>
	<u>104</u>	<u>102</u>	<u>37</u>	<u>39</u>
The aggregate payroll costs incurred during the year were:				
Wages and salaries	1,438,169	1,420,348	1,065,709	1,075,247
Social security costs	135,126	121,796	104,544	88,655
Pension costs	<u>146,099</u>	<u>135,136</u>	<u>87,958</u>	<u>86,519</u>
	<u>1,719,394</u>	<u>1,677,280</u>	<u>1,170,253</u>	<u>1,250,421</u>

# H.M.T. Shipping Limited

## Notes to the financial statements for the year ended 31 March 2019

7.1 Directors' remuneration	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
The directors' aggregate remuneration in respect of qualifying services was:				
Remuneration and other emoluments	174,070	160,412	174,070	160,412
Pension contributions	<u>47,000</u>	<u>50,000</u>	<u>47,000</u>	<u>50,000</u>
	<u>221,070</u>	<u>210,412</u>	<u>221,070</u>	<u>210,412</u>

## 8. Employee benefits

The group operates a defined contribution pension scheme in respect of directors and employees. The scheme and its assets are held by independent managers.

The amount recognised in profit or loss in relation to defined contribution pension plans for the group was £146,088 (2018: £135,136).

9. Tax on profit	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
<b>Major components of tax expense</b>				
<b>Current tax</b>				
UK corporation tax	286,635	323,475	143,966	169,461
Adjustments in respect of previous periods	<u>(678)</u>	<u>(500)</u>	<u>-</u>	<u>-</u>
	<u>285,957</u>	<u>322,975</u>	<u>143,966</u>	<u>169,461</u>
<b>Total current tax charge</b>	<u>285,957</u>	<u>322,975</u>	<u>143,966</u>	<u>169,461</u>
<b>Deferred tax</b>				
Origination and reversal of timing differences	<u>(22,586)</u>	<u>19,535</u>	<u>-</u>	<u>-</u>
<b>Tax on profit</b>	<u>263,371</u>	<u>342,510</u>	<u>143,966</u>	<u>169,461</u>

## Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Profit before taxation	<u>1,309,416</u>	<u>1,375,581</u>	<u>724,584</u>	<u>677,408</u>
Profit multiplied by rate of tax	248,789	261,360	137,671	128,708
<b>Effects of:</b>				
Capital allowances and depreciation	37,846	62,115	6,295	40,753
Adjustments in respect of prior periods	<u>(678)</u>	<u>(500)</u>	<u>-</u>	<u>-</u>
Deferred tax	<u>(22,586)</u>	<u>19,535</u>	<u>-</u>	<u>-</u>
<b>Tax on profit</b>	<u>263,371</u>	<u>342,510</u>	<u>143,966</u>	<u>169,461</u>

# H.M.T. Shipping Limited

## Notes to the financial statements for the year ended 31 March 2019

10. Dividends	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Equity dividends				
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

## 11. Tangible fixed assets - Group

	Leasehold property £	Freehold property £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>					
At 1 April 2018	356,920	2,200,291	9,432,245	54,625	12,044,081
Additions	-	-	1,195,500	-	1,195,500
Disposals	-	-	(643,929)	-	(643,929)
At 31 March 2019	<u>356,920</u>	<u>2,200,291</u>	<u>9,983,816</u>	<u>54,625</u>	<u>12,595,652</u>
<b>Depreciation</b>					
At 1 April 2018	285,384	87,810	5,599,673	54,625	6,027,492
On disposal	-	-	(611,939)	-	(611,939)
Charge for the year	<u>71,536</u>	<u>43,905</u>	<u>1,286,767</u>	<u>-</u>	<u>1,402,208</u>
At 31 March 2019	<u>356,920</u>	<u>131,715</u>	<u>6,274,501</u>	<u>54,625</u>	<u>6,817,761</u>
<b>Carrying amount</b>					
At 31 March 2019	<u>-</u>	<u>2,068,576</u>	<u>3,709,315</u>	<u>-</u>	<u>5,777,891</u>
At 31 March 2018	<u>71,536</u>	<u>2,112,481</u>	<u>3,832,572</u>	<u>-</u>	<u>6,016,589</u>

The basis by which depreciation is calculated is stated in note 2.

## Obligations under finance leases

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements.

	Plant & machinery £
At 31 March 2019	<u>2,894,824</u>
At 31 March 2018	<u>2,996,712</u>

## H.M.T. Shipping Limited

### Notes to the financial statements for the year ended 31 March 2019

#### 11.1 Tangible fixed assets – Parent Company

	Leasehold property £	Plant and machinery £	Fixture, fittings & equipment £	Total £
<b>Cost</b>				
At 1 April 2018	356,920	7,023,636	32,625	7,413,181
Additions	-	991,050	-	991,050
Disposals	-	(469,196)	-	(469,196)
At 31 March 2019	<u>356,920</u>	<u>7,545,490</u>	<u>32,625</u>	<u>7,935,035</u>
<b>Depreciation</b>				
At 1 April 2018	285,384	4,435,476	32,625	4,753,485
On disposal	-	(441,106)	-	(441,106)
Charge for the year	<u>71,536</u>	<u>842,105</u>	<u>-</u>	<u>913,641</u>
At 31 March 2019	<u>356,920</u>	<u>4,836,475</u>	<u>32,625</u>	<u>5,226,020</u>
<b>Carrying amount</b>				
At 31 March 2019	<u>-</u>	<u>2,709,015</u>	<u>-</u>	<u>2,709,015</u>
At 31 March 2018	<u>71,536</u>	<u>2,588,160</u>	<u>-</u>	<u>2,659,696</u>

#### Obligations under finance leases

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements.

	Plant & machinery £
At 31 March 2019	<u>2,202,046</u>
At 31 March 2018	<u>1,920,322</u>

#### 12. Investments

Group	Unlisted investments £	Total £
<b>Cost/valuation</b>		
At 1 April 2018 and 31 March 2019	<u>27,600</u>	<u>27,600</u>
<b>Carrying amount</b>		
At 31 March 2019	<u>27,600</u>	<u>27,600</u>
At 31 March 2018	<u>27,600</u>	<u>27,600</u>

Unlisted investments are measured at cost less impairment on the basis that they represent shares in entities that are not publically traded and the fair value cannot otherwise be measured reliably.

# H.M.T. Shipping Limited

## Notes to the financial statements for the year ended 31 March 2019

### 12.1 Investments

Company	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 April 2018 and 31 March 2019	<u>75</u>	<u>75</u>
<b>Carrying amount</b>		
At 31 March 2019	<u>75</u>	<u>75</u>
At 31 March 2018	<u>75</u>	<u>75</u>

### 12.2 Holdings for 20% or more

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
<b>Subsidiary undertaking</b>				
H.M.T. Groupage Limited	Northern Ireland	Freight forwarding	Ordinary	75%

13. Debtors	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	4,567,391	4,432,020	3,327,252	3,225,175
Other debtors	100	100	-	-
Prepayments and accrued income	132,059	38,084	5,713	3,861
Amounts owed by group undertaking	3,160	3,160	3,160	3,160
Directors' Current Accounts	<u>78,087</u>	<u>81,996</u>	<u>78,087</u>	<u>77,101</u>
	<u>4,780,797</u>	<u>4,555,360</u>	<u>3,414,212</u>	<u>3,119,166</u>

14. Cash and cash equivalents	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Cash at bank and in hand	<u>2,033,780</u>	<u>1,523,718</u>	<u>1,231,659</u>	<u>820,787</u>

# H.M.T. Shipping Limited

## Notes to the financial statements for the year ended 31 March 2019

15. Creditors: amounts falling due within one year	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	166,820	170,796	-	-
Obligations under hire purchase and finance leases	915,181	806,751	632,286	463,644
Trade creditors	4,120,480	4,123,452	3,432,007	3,421,627
Corporation tax	286,635	323,475	143,966	169,461
Social security and other taxes	266,952	278,680	65,262	85,433
Other creditors	52,441	70,590	24,026	42,906
Accruals and deferred income	35,041	9,450	33,228	7,000
	<u>5,843,550</u>	<u>5,783,194</u>	<u>4,330,775</u>	<u>4,190,071</u>

The group bank facilities are secured as follows:

Debenture incorporating fixed and floating charge over all company assets, legal charge over property at Unit 20, Roman Way, Preston and letters of guarantee signed by directors.

Details of hire purchase/lease arrangements are provided in note 17.

16. Creditors: amounts falling due after more than one year	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	668,620	796,931	-	-
Obligations under hire purchase and finance leases	<u>544,073</u>	<u>732,776</u>	<u>470,247</u>	<u>432,773</u>
	<u>1,212,693</u>	<u>1,529,707</u>	<u>470,247</u>	<u>432,773</u>

Details of hire purchasing/leasing arrangements are provided in note 17.

## 17. Obligations under hire purchase and finance leases

The total future payments under hire purchase and finance lease agreements are as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Not later than 1 year	915,181	806,751	567,326	463,644
Later than 1 year and not later than 5 years	<u>544,073</u>	<u>732,776</u>	<u>470,247</u>	<u>432,773</u>
Total value of minimum hire purchase payments	<u>1,459,254</u>	<u>1,539,527</u>	<u>1,037,573</u>	<u>896,417</u>



# H.M.T. Shipping Limited

## Notes to the financial statements for the year ended 31 March 2019

18. Provisions	Group		Company	
	Deferred taxation (Note 19) £	Total £	Deferred taxation (Note 19) £	Total £
At 1 April 2018	114,607	95,072	2,269	2,269
Movements in the year	(22,586)	19,535	-	-
At 31 March 2019	<u>92,021</u>	<u>114,607</u>	<u>2,269</u>	<u>2,269</u>

19. Deferred tax	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Accelerated capital allowances	<u>92,021</u>	<u>114,607</u>	<u>2,269</u>	<u>2,269</u>
Provision for deferred tax	<u>92,021</u>	<u>114,607</u>	<u>2,269</u>	<u>2,269</u>
Provision at 1 April 2018	114,067	95,072	2,269	2,269
Deferred tax (credit)/debit in profit and loss account	(22,586)	19,535	-	-
Provision at 31 March 2019	<u>92,021</u>	<u>114,607</u>	<u>2,269</u>	<u>2,269</u>

20. Share capital	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Issued, called up and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

## 21. Reserves

Called-up share capital:

This represents the nominal value of shares that have been issued.

Profit and loss account:

This reserve records retained earnings and accumulated losses.

## H.M.T. Shipping Limited

### Notes to the financial statements for the year ended 31 March 2019

#### 22. Operating leases

##### The company as lessee

At 31 March 2019 the group had total future lease payments under non-cancellable operating leases as follows:

	Land & Buildings Group		Land & Buildings Company	
	2019	2018	2019	2018
	£	£	£	£
Not later than 1 year	116,000	116,000	116,000	116,000
Later than 1 year and not later than 5 years	320,000	356,000	320,000	356,000
Later than 5 years	<u>640,000</u>	<u>720,000</u>	<u>640,000</u>	<u>720,000</u>
	<u>1,076,000</u>	<u>1,192,000</u>	<u>1,076,000</u>	<u>1,192,000</u>

#### 23. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2019			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Gerard Magee	43,520	87,062	(90,000)	40,582
Jarlath Magee	<u>38,476</u>	<u>37,505</u>	<u>(38,476)</u>	<u>37,505</u>
	<u>81,996</u>	<u>124,567</u>	<u>(128,476)</u>	<u>78,087</u>

	2018			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Gerard Magee	38,833	94,687	(90,000)	43,520
Jarlath Magee	<u>38,268</u>	<u>39,024</u>	<u>(38,816)</u>	<u>38,476</u>
	<u>77,101</u>	<u>133,711</u>	<u>(128,816)</u>	<u>81,996</u>

## **H.M.T. Shipping Limited**

### **Notes to the financial statements for the year ended 31 March 2019**

#### **24. Related party transactions**

By virtue of common directors and shareholders, the following are deemed to be related parties of the Group. During the year the company traded with the following related parties and had balances at the year end as follows:

£

##### **Bluekite (UK) Limited**

Sales	176,210
Purchases	(3,794,848)
Trade Debtor balance	148,946
Trade Creditor balance	(655,260)

##### **Bluekite Transport Limited**

Purchases	(135,147)
Trade Creditor balance	(197,367)

##### **HMT Shipping (Ireland) Limited**

Purchases	(722,436)
Trade Creditor balance	(249,113)
Non-Trade Debtor Balance	3,160

#### **25. Controlling party**

By virtue of their majority shareholding in H.M.T. Shipping Limited, the ultimate controlling parties are directors Gerard Magee and Gerard Hughes.

H.M.T. (Groupage) Limited is a subsidiary by virtue of the fact that H.M.T. Shipping Limited owns 75% of the share capital of this company.

H.M.T. (Groupage) Limited shares were transferred to the directors by way of a group reorganisation on 1 April 2019.