

REGISTERED NUMBER: 04582381 (England and Wales)

**Strategic Report, Report of the Directors and  
Financial Statements  
For The Year Ended 31 December 2020  
for  
Rainham Industrial Services Limited**

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**Rainham Industrial Services Limited (Registered number: 04582381)**

**Contents of the Financial Statements  
For The Year Ended 31 December 2020**

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	<b>Page</b>
<b>Company Information</b>	1
<b>Strategic Report</b>	2
<b>Report of the Directors</b>	4
<b>Report of the Independent Auditors</b>	6
<b>Income Statement</b>	9
<b>Other Comprehensive Income</b>	10
<b>Balance Sheet</b>	11
<b>Statement of Changes in Equity</b>	12
<b>Cash Flow Statement</b>	13
<b>Notes to the Cash Flow Statement</b>	14
<b>Notes to the Financial Statements</b>	15



**Rainham Industrial Services Limited**

**Company Information  
For The Year Ended 31 December 2020**

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<b>DIRECTORS:</b>	T E McCarthy A Rynston T M Toulson M Scaife D Paget N P D Winks A P Pearson Mrs K L Richards
<b>REGISTERED OFFICE:</b>	The Old Rectory Mucking Wharf Road Mucking Stanford Le Hope Essex SS17 0RN
<b>REGISTERED NUMBER:</b>	04582381 (England and Wales)
<b>AUDITORS:</b>	Giess Wallis Crisp LLP Registered Auditor 10-12 Mulberry Green Old Harlow Essex CM17 0ET
<b>BANKERS:</b>	Lloyds TSB Bank plc 1st Floor 1 Legg Street Chelmsford Essex CM1 1JS



**Rainham Industrial Services Limited (Registered number: 04582381)**

**Strategic Report  
For The Year Ended 31 December 2020**

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The directors present their strategic report for the year ended 31 December 2020.

**REVIEW OF BUSINESS**

The company was formed in 2002 and provides specialist industrial services that support the installation, maintenance, refurbishment, decommissioning and replacement of large industrial plants and building infrastructure for a wide range of sectors including Power Generation, Energy from Waste, Manufacturing, Automotive and Process Industries.

Service coverage spans the whole of the UK from strategically located regional offices in Essex, Runcorn, Cheshire, Middlesbrough, Teesside and Newport, Wales.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal business risk is that of an underperforming or lossmaking contract or the loss of a key customer account.

The company monitors contract performance closely on a monthly basis and continues to improve operational reviews and financial reporting. Variances to budgets and re-forecasts are investigated and analysed. The directors review contract reporting at monthly board meetings.

Contract expiries and new business pipelines are monitored and reported at monthly board meetings.

**BUSINESS PERFORMANCE IN THE YEAR**

The company despite the difficulties caused by the COVID-19 pandemic continued to build on previous years financial performance with strong underlying profitability, lower debt and further new business wins that position it well for 2021. While underlying operating profits were lower than 2019, cash performance was strong and year end gearing was significantly reduced. Capital expenditure continued with a further £1.3m (2019 £0.8m) being spent in the year, together with further investment in training, quality, IT (in particular to further facilitate remote working), business facilities, processes and systems.

**Profitability**

Turnover was £50.1m (2019: £53.9m) a decrease of 7%. Gross profit margin increased slightly to 14.5% (2019: 14.0%) and overheads, excluding exceptionals, increased by 4% to £4.7m (2019: £4.4m), due to increased costs associated with the COVID-19 pandemic.

Exceptional costs were £0.0m (2019: £0.1m) and net interest fell to £0.1m (2019: £0.2m) reflecting the reduced borrowings.

Taxation totalled £0.5m (2019 £0.6m) of which £0.1m (2019: £0.1m) was in respect of a deferred tax liability of £0.2m (2019: 0.2m).

The key operating performance measures in the business are individual contract margins and earnings before tax, depreciation, interest and exceptional items ("EBITDAE"). EBITDAE margin was slightly lower at 7.5% (2019: 7.9%). The table below summarises EBITDAE trend for the last 3 years:

2020 2019 2018  
£'000 £'000 £'000

Operating profit 2,510 3,055 3,230

Depreciation 1,202 1,024 1,004

Exceptional costs

Loan impairment charges 130

Other 39 172

**EBITDAE 3,750 4,251 4,364**

EBITDAE as of % of turnover 7.5% 7.9% 8.6%





**Rainham Industrial Services Limited (Registered number: 04582381)**

**Strategic Report  
For The Year Ended 31 December 2020**

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**Cash flow**

Working capital continued to be tightly controlled and cash inflow from operating activities rose by 27% to £4.3m (2019: £3.4m).

Capital expenditure was £1.3m (2019: £0.8m) and interest payments fell to £0.1m (2019: £0.2m) reflecting lower debt levels. Principal repayments of bank and other loans absorbed £0.6m (2019: £1.2m). £1m of the £3m CLBLIS facility was drawn down in July 2020, and a further pension loan of £0.5m was received in May 2020. The company commenced the buy back of its B shares and this consumed £1.020m of cash in the year.

Net cash inflow was £2.9m (2019: £1.3m), including the CLBLIS drawdown of £1.0m and the further pension loan of £0.5m.

**Net debt**

Net debt fell sharply in the year from £0.6m to a positive position of £1.461m.

Term debt was £1.1m (2019: £1.1m) comprising bank loans of £0.3m (2019: £0.7m) and a pension fund loan of £0.8m (2019: £0.4m). Bank balance at 31st December 2020 was £3.6m (2019: £0.6m).

£1m of the £3m CLBLIS facility was drawn down in May 2020, this loan expires in May 2023.

**Health and safety, quality and environmental**

The company continues to move forward in the field of Safety, Health, Environment and Quality with the development and operation of an Integrated cloud-based management system accessible at all operational locations. The system has been audited and accredited by LRQA to ISO 9001: 2015 Quality, ISO 14001: 2015 Environmental and most recently to ISO 45001: 2018 Occupational Health & Safety.

2020 presented a challenge throughout the industry due to the Covid-19 pandemic, yet the company still produced a strong Safety, Health, Environmental, & Quality performance during the period as essential workers supporting our clients that continued to operate as essential service providers. Our RIDDOR reportable accident overall frequency rate of 0.18 is well below industry standard and a great achievement in the high-risk industry that we operate in.

The company received its fourth consecutive ROSPA Gold Medal award in recognition of its H&S performance equating to 8 consecutive Gold awards. We continue to strive for excellence in all areas of the business. The awards and recognition are a testament to the operational team's attitudes and behaviours.

**OUTLOOK**

This business has performed extremely well both financially and operationally during 2020. The business has continued to carefully manage the effect of the COVID-19 pandemic in the UK and on our business. The directors have worked and will continue to work closely with all stakeholders of the business, taking all the necessary actions to mitigate the effect on this business, ensuring that we continue to have the appropriate resource levels and funding in place to meet our contractual requirements in 2021 and beyond.

The company has secured a £3m loan under the government's backed CoronaVirus Large Business Interruption Loan Scheme (CLBILS) initiative, however only £1m was drawn down during 2020.

**GOING CONCERN**

The company have completed an extensive forecast for 2021 analysing the impact of COVID-19. Whilst still recognising the impact of COVID-19 on the UK economy and this business the directors believe that we have put in place a robust plan to:

- a) Continue to support customers that are critical to the UK infrastructure, and
- b) Continue to react quickly and flexibly and put in place any further measures to mitigate any further disruption caused by COVID-19.

**ON BEHALF OF THE BOARD:**

D Paget - Director

5 May 2021



**Rainham Industrial Services Limited (Registered number: 04582381)**

**Report of the Directors  
For The Year Ended 31 December 2020**

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The directors present their report with the financial statements of the company for the year ended 31 December 2020.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2020.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

T E McCarthy  
A Rynston  
T M Toulson  
M Scaife  
D Paget  
N P D Winks  
A P Pearson  
Mrs K L Richards

**DISABLED EMPLOYEES**

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

**EMPLOYEE CONSULTATION**

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings, company newsletters and the published annual financial statements. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.



**Rainham Industrial Services Limited (Registered number: 04582381)**

**Report of the Directors  
For The Year Ended 31 December 2020**

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**AUDITORS**

The auditors, Giess Wallis Crisp LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

D Paget - Director

5 May 2021



## **Report of the Independent Auditors to the Members of Rainham Industrial Services Limited**

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### **Opinion**

We have audited the financial statements of Rainham Industrial Services Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.





## **Report of the Independent Auditors to the Members of Rainham Industrial Services Limited**

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### **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 Report of the Directors.

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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

### **Auditors' 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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the the company and the industry in which they operate, we identified the significant laws and regulations in relation to this company as being: financial reporting legislation (including Companies Act 2006), taxation legislation (including corporation tax act 2010) and Coronavirus Act 2020, and we considered the extent to which non-compliance might have a material effect on the financial statements. These laws and regulations could have a direct impact on the financial statements. As part of the planning process we evaluated the management's incentives and opportunities for fraudulent manipulation of the financial statements and concluded that the principal risk is related to the possible override of controls by management. The results of the above assessment were communicated to the engagement team during the engagement team briefing prior to the commencement of the audit field work.

Audit procedures performed in response to the potential risks relating to irregularities , fraud and non-compliance with laws and regulations comprised of:

- Enquiries of management and those charged with governance.
- Review of board minutes.
- Evaluation and testing of the effectiveness of internal controls via a combination of walkthrough testing and detailed controls testing.
- Testing the appropriateness of entries in the nominal ledger, including journal entries.
- Review and testing of transactions either side of the end of the reporting period.
- Analytical review of the financial statements at both planning and completion stage to identify any anomalies or unexpected movements in account balances which may be indicative of fraud.
- Inspection and examination of legal invoices and correspondence.
- Reviewed eligibility and calculation of CJRS grants.

The results of the above audit procedures were that no instances of non-compliance with laws and regulations were identified and no instances of material fraud were identified.



**Report of the Independent Auditors to the Members of  
Rainham Industrial Services Limited**

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There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. There is therefore an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISA's (UK).

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Mr A Taffs (Senior Statutory Auditor)  
for and on behalf of Giess Wallis Crisp LLP  
Registered Auditor  
10-12 Mulberry Green  
Old Harlow  
Essex  
CM17 0ET

5 May 2021



## Rainham Industrial Services Limited (Registered number: 04582381)

**Income Statement  
For The Year Ended 31 December 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>		<b>50,147,672</b>	53,987,299
Cost of sales		<u>42,878,747</u>	<u>46,400,752</u>
<b>GROSS PROFIT</b>		<b>7,268,925</b>	7,586,547
Administrative expenses		<u>5,645,952</u>	<u>4,532,024</u>
		<b>1,622,973</b>	3,054,523
Other operating income		<u>887,196</u>	-
<b>OPERATING PROFIT</b>	4	<b>2,510,169</b>	3,054,523
Interest receivable and similar income		<u>-</u>	<u>1,287</u>
		<b>2,510,169</b>	3,055,810
Interest payable and similar expenses	6	<u>113,681</u>	<u>115,059</u>
<b>PROFIT BEFORE TAXATION</b>		<b>2,396,488</b>	2,940,751
Tax on profit	7	<u>526,797</u>	<u>622,472</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>1,869,691</u></b>	<b><u>2,318,279</u></b>



Rainham Industrial Services Limited (Registered number: 04582381)

**Other Comprehensive Income  
For The Year Ended 31 December 2020**

	Notes	2020 £	2019 £
<b>PROFIT FOR THE YEAR</b>		<b>1,869,691</b>	2,318,279
<b>OTHER COMPREHENSIVE INCOME</b>			
Purchase of own shares		(1,019,174)	-
Capital redemption reserve		200	-
Income tax relating to components of other comprehensive income		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<b>(1,018,974)</b>	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>850,717</b>	2,318,279





## Rainham Industrial Services Limited (Registered number: 04582381)

**Balance Sheet**  
**31 December 2020**

	Notes	2020		2019	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		<b>3,710,673</b>		3,574,182
Investments	9		-		-
			<u><b>3,710,673</b></u>		<u>3,574,182</u>
<b>CURRENT ASSETS</b>					
Stocks	10		-	184,860	
Debtors	11	<b>8,904,048</b>		9,650,751	
Cash at bank		<u><b>3,586,959</b></u>		<u>610,942</u>	
		<u><b>12,491,007</b></u>		<u>10,446,553</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u><b>8,028,402</b></u>		<u>8,357,477</u>	
<b>NET CURRENT ASSETS</b>			<u><b>4,462,605</b></u>		<u>2,089,076</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>8,173,278</b>		5,663,258
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		<b>(1,782,522)</b>		(214,474)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u><b>(243,730)</b></u>		<u>(152,275)</u>
<b>NET ASSETS</b>			<u><u><b>6,147,026</b></u></u>		<u><u>5,296,509</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		<b>3,288</b>		3,488
Capital redemption reserve	19		<b>200</b>		-
Retained earnings	19		<u><b>6,143,538</b></u>		<u>5,293,021</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u><b>6,147,026</b></u></u>		<u><u>5,296,509</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 5 May 2021 and were signed on its behalf by:

D Paget - Director



## Rainham Industrial Services Limited (Registered number: 04582381)

Statement of Changes in Equity  
For The Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 1 January 2019</b>	3,488	2,974,742	-	2,978,230
<b>Changes in equity</b>				
Total comprehensive income	-	2,318,279	-	2,318,279
<b>Balance at 31 December 2019</b>	<u>3,488</u>	<u>5,293,021</u>	<u>-</u>	<u>5,296,509</u>
<b>Changes in equity</b>				
Issue of share capital	(200)	-	-	(200)
Total comprehensive income	-	850,517	200	850,717
<b>Balance at 31 December 2020</b>	<u>3,288</u>	<u>6,143,538</u>	<u>200</u>	<u>6,147,026</u>



## Rainham Industrial Services Limited (Registered number: 04582381)

**Cash Flow Statement  
For The Year Ended 31 December 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	4,873,098	4,101,207
Interest paid		(112,867)	(115,059)
Interest element of hire purchase payments paid		(814)	-
Tax paid		(383,000)	(540,472)
Net cash from operating activities		<u>4,376,417</u>	<u>3,445,676</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,338,945)	(820,799)
Sale of tangible fixed assets		-	1,200
Interest received		-	1,287
Net cash from investing activities		<u>(1,338,945)</u>	<u>(818,312)</u>
<b>Cash flows from financing activities</b>			
New loans in year		1,572,000	-
Loan repayments in year		(654,549)	(1,247,380)
Capital repayments in year		(6,463)	31,852
Amount introduced by directors		50,957	-
Amount withdrawn by directors		(4,226)	(87,894)
Share issue		(200)	-
Share buyback		(1,019,174)	-
Capital redemption reserve		200	-
Net cash from financing activities		<u>(61,455)</u>	<u>(1,303,422)</u>
<b>Increase in cash and cash equivalents</b>		<u>2,976,017</u>	<u>1,323,942</u>
<b>Cash and cash equivalents at beginning of year</b>	2	610,942	(713,000)
<b>Cash and cash equivalents at end of year</b>	2	<u><u>3,586,959</u></u>	<u><u>610,942</u></u>



## Rainham Industrial Services Limited (Registered number: 04582381)

**Notes to the Cash Flow Statement  
For The Year Ended 31 December 2020****1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2020	2019
	£	£
Profit before taxation	2,396,488	2,940,751
Depreciation charges	1,202,455	1,023,798
Profit on disposal of fixed assets	-	(1,200)
Finance costs	113,681	115,059
Finance income	-	(1,287)
	<u>3,712,624</u>	<u>4,077,121</u>
Decrease in stocks	184,860	-
Decrease in trade and other debtors	699,972	573,437
Increase/(decrease) in trade and other creditors	275,642	(549,351)
<b>Cash generated from operations</b>	<u><b>4,873,098</b></u>	<u><b>4,101,207</b></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2020**

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	<u>3,586,959</u>	<u>610,942</u>

**Year ended 31 December 2019**

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	610,942	6,000
Bank overdrafts	-	(719,000)
	<u>610,942</u>	<u>(713,000)</u>

**3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS**

	At 1/1/20	Cash flow	At 31/12/20
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>610,942</u>	<u>2,976,017</u>	<u>3,586,959</u>
	<u>610,942</u>	<u>2,976,017</u>	<u>3,586,959</u>
<b>Debt</b>			
Finance leases	(31,852)	6,463	(25,389)
Debts falling due within 1 year	(994,350)	577,059	(417,291)
Debts falling due after 1 year	(189,100)	(1,494,511)	(1,683,611)
	<u>(1,215,302)</u>	<u>(910,989)</u>	<u>(2,126,291)</u>
<b>Total</b>	<u><b>(604,360)</b></u>	<u><b>2,065,028</b></u>	<u><b>1,460,668</b></u>





**Rainham Industrial Services Limited (Registered number: 04582381)**

**Notes to the Financial Statements  
For The Year Ended 31 December 2020**

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**1. STATUTORY INFORMATION**

Rainham Industrial Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the exemption from the requirement to prepare group accounts under Section 402 of the Companies Act 2006 on the ground that the inclusion of the subsidiaries is not material for the purpose of giving a true and fair view. The financial statements present information about the Company as an individual undertaking and not about its group.

**Significant judgements and estimates**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no estimates and assumptions which have had a significant risk of causing a material adjustment to the carrying amount of assets and liabilities

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold land and buildings	- Life of tenancy agreement
Plant and machinery	- 25% on cost
Scaffold equipment	- 15% on cost
Motor vehicles	- 25% on cost

**Government grants**

Government grants relating to revenue expenditure are recognised as income on a systematic basis over the periods in which the related costs are recognised for which the grant is intended to compensate.

Grants the Company received and were entitled to receive during the year were the CJRS



**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020**

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**2. ACCOUNTING POLICIES - continued**

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Financial instruments**

The company has elected to apply the provisions of Section 11: 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

**Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current

*Apache* liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020**

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**2. ACCOUNTING POLICIES - continued**

**Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Investments in subsidiaries and associates**

All investments in subsidiaries are 100% owned, and both of these subsidiaries are dormant. The shares held are of nominal value and no balance is recognised within these financial statements for these investments held.



## Rainham Industrial Services Limited (Registered number: 04582381)

Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020

## 3. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	23,158,277	27,083,706
Social security costs	2,473,003	2,606,832
Other pension costs	342,436	210,254
	<u>25,973,716</u>	<u>29,900,792</u>

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

	2020	2019
Administration	44	46
Direct	<u>356</u>	<u>450</u>
	<u>400</u>	<u>496</u>

	2020	2019
	£	£
Directors' remuneration	966,880	856,640
Directors' pension contributions to money purchase schemes	<u>6,578</u>	<u>4,754</u>

Information regarding the highest paid director is as follows:

	2020	2019
	£	£
Emoluments etc	293,960	293,960
Pension contributions to money purchase schemes	<u>1,315</u>	<u>1,189</u>

## 4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	1,195,020	1,023,798
Depreciation - assets on hire purchase contracts	7,436	-
Profit on disposal of fixed assets	-	(1,200)
CJRS Government Grants	<u>(795,054)</u>	<u>-</u>

## 5. AUDITORS' REMUNERATION

Fees payable to the Company's auditors and its associates for the audit of the Company's annual financial statements were £37,000 (2019: £37,000)

Fees payable to the Company's auditors and its associates in respect of other non-audit services were £1,500 (2019: £3,000)





## Rainham Industrial Services Limited (Registered number: 04582381)

Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020

## 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank interest	-	4,776
Bank loan interest	22,702	61,753
CLBILs interest & fees	31,181	-
Loan interest	58,984	48,530
Hire purchase	814	-
	<u>113,681</u>	<u>115,059</u>

## 7. TAXATION

**Analysis of the tax charge**

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

	2020	2019
	£	£
Current tax:		
UK corporation tax	435,342	559,472
Deferred tax	<u>91,455</u>	<u>63,000</u>
Tax on profit	<u>526,797</u>	<u>622,472</u>

**Reconciliation of total tax charge included in profit and loss**

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

	2020	2019
	£	£
Profit before tax	<u>2,396,488</u>	<u>2,940,751</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	455,333	558,743
Effects of:		
Expenses not deductible for tax purposes	42,519	71,481
Capital allowances in excess of depreciation	(62,510)	(70,752)
Deferred tax	<u>91,455</u>	<u>63,000</u>
Total tax charge	<u>526,797</u>	<u>622,472</u>

**Tax effects relating to effects of other comprehensive income**

	Gross	2020	Net
	£	Tax	£
		£	
Purchase of own shares	(1,019,174)	-	(1,019,174)
Capital redemption reserve	200	-	200
	<u>(1,018,974)</u>	<u>-</u>	<u>(1,018,974)</u>



Rainham Industrial Services Limited (Registered number: 04582381)

Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020

8. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Plant and machinery £	Scaffold equipment £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2020	72,457	2,098,487	8,606,552	523,277	11,300,773
Additions	-	21,044	1,309,508	8,395	1,338,947
At 31 December 2020	<u>72,457</u>	<u>2,119,531</u>	<u>9,916,060</u>	<u>531,672</u>	<u>12,639,720</u>
<b>DEPRECIATION</b>					
At 1 January 2020	70,821	1,932,336	5,219,257	504,177	7,726,591
Charge for year	1,636	61,402	1,129,369	10,049	1,202,456
At 31 December 2020	<u>72,457</u>	<u>1,993,738</u>	<u>6,348,626</u>	<u>514,226</u>	<u>8,929,047</u>
<b>NET BOOK VALUE</b>					
At 31 December 2020	<u>-</u>	<u>125,793</u>	<u>3,567,434</u>	<u>17,446</u>	<u>3,710,673</u>
At 31 December 2019	1,636	166,151	3,387,295	19,100	3,574,182

The net book value of assets held under hire purchase contracts, included above, are £25,000 (2019: £184,000)

9. FIXED ASSET INVESTMENTS

The Company has two wholly owned subsidiaries. Both were dormant throughout 2020.

**RES South Limited** (Registered office address: The Old Rectory Mucking Wharf Road, Mucking, Stanford-Le-Hope, Essex, England, SS17 0RN)  
100% holding of ordinary shares. The entity is dormant. The aggregate of share capital and reserves as at 31 December 2020 was £100 (2019 - £100)

**RES North West Limited** (Registered office address: The Old Rectory Mucking Wharf Road, Mucking, Stanford-Le-Hope, Essex, England, SS17 0RN)  
100% holding of ordinary shares. The entity is dormant. The aggregate of share capital and reserves as at 31 December 2020 was £235,000 (2019 - £235,000)

No balance is recognised within the financial statements for these investments held.

10. STOCKS

	2020 £	2019 £
Stocks	<u>-</u>	<u>184,860</u>

11. DEBTORS

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	5,465,170	6,669,452
Other debtors	52,884	526,882
Directors' current accounts	1,401,457	1,448,188
Prepayments and accrued income	<u>1,509,068</u>	<u>1,006,229</u>
	<u>8,428,579</u>	<u>9,650,751</u>



## Rainham Industrial Services Limited (Registered number: 04582381)

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020**

<b>11. DEBTORS - continued</b>		
	<b>2020</b>	<b>2019</b>
	£	£
Amounts falling due after more than one year: Other debtors over 1 year	<u>475,469</u>	-
Aggregate amounts	<u>8,904,048</u>	<u>9,650,751</u>
<b>12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	<b>2020</b>	<b>2019</b>
	£	£
Bank loans and overdrafts (see note 14)	253,750	761,250
Other loans (see note 14)	163,541	233,100
Hire purchase contracts (see note 15)	6,478	6,478
Trade creditors	4,622,037	3,954,801
Corporation Tax Payable	399,342	347,000
Social security and other taxes	633,080	714,774
VAT	1,006,295	1,747,074
Other creditors	159,930	333,000
Accruals and deferred income	783,949	260,000
	<u>8,028,402</u>	<u>8,357,477</u>
<b>13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
	<b>2020</b>	<b>2019</b>
	£	£
Bank loans (see note 14)	1,000,000	-
Other loans (see note 14)	683,611	189,100
Hire purchase contracts (see note 15)	18,911	25,374
Trade creditors over 1 year	80,000	-
	<u>1,782,522</u>	<u>214,474</u>
<b>14. LOANS</b>		
An analysis of the maturity of loans is given below:		
	<b>2020</b>	<b>2019</b>
	£	£
Amounts falling due within one year or on demand:		
Bank loans	253,750	761,250
Other loans	163,541	233,100
	<u>417,291</u>	<u>994,350</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>374,569</u>	<u>189,100</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	1,000,000	-
Other loans - 2-5 years	309,042	-
	<u>1,309,042</u>	<u>-</u>



## Rainham Industrial Services Limited (Registered number: 04582381)

Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020

## 14. LOANS - continued

The bank overdraft available of £1,750,000 is repayable on demand and bears interest at 2.75% above the Bank of England base rate.

The bank loan due within one year is repayable by monthly instalments of £42,917 including interest at a rate of LIBOR plus 4%.

The bank loan due in 2 - 5 years is a CLBILS. This is repayable on 31st May 2023 and bears interest at 3% above the Bank of England base rate, on the drawn amount. The undrawn amount has a non utilisation fee at 67.5% of margin (2.03%)

Other loans repayable in more than one year comprise a loan from the Rainham Industrial Services Pension Scheme which bears interest at a fixed rate of 9% and is repayable by monthly instalments of £19,430 over 5 years.

## 15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2020	2019
	£	£
Net obligations repayable:		
Within one year	6,478	6,478
Between one and five years	18,911	25,374
	<u>25,389</u>	<u>31,852</u>
	Non-cancellable	operating leases
	2020	2019
	£	£
Within one year	210,833	205,065
Between one and five years	503,440	629,833
In more than five years	53,300	94,300
	<u>767,573</u>	<u>929,198</u>

## 16. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Hire purchase	<u>25,390</u>	<u>31,852</u>

The hire purchase liability is secured on the respective assets concerned.

## 17. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax	<u>243,730</u>	<u>152,275</u>





## Rainham Industrial Services Limited (Registered number: 04582381)

Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020

## 17. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2020	152,275
Charge to Income Statement during year	<u>91,455</u>
Balance at 31 December 2020	<u><u>243,730</u></u>

## 18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
2,403	Ordinary	£1	2,403	2,403
628	Ordinary A	£1	628	628
25,662	Ordinary B	£0.01	<u>257</u>	<u>457</u>
			<u><u>3,288</u></u>	<u><u>3,488</u></u>

During the year 20,000 Ordinary B Shares were purchased back by the Company, at a cost of £1,019,174

## 19. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2020	5,293,021	-	5,293,021
Profit for the year	1,869,691		1,869,691
Purchase of own shares	<u>(1,019,174)</u>	<u>200</u>	<u>(1,018,974)</u>
At 31 December 2020	<u><u>6,143,538</u></u>	<u><u>200</u></u>	<u><u>6,143,738</u></u>

## 20. PENSION COMMITMENTS

The Company operates a defined pension scheme for all eligible employees compliant with UK Auto Enrolment legislation. Employer contributions are made in line with legal requirements. The charge for the year was £342,436 (2019: £336,000) and the balance due at year end, including employee contributions was £81,383 (2019: £20,000).

The Company also makes defined contributions from time to time into the personal pension arrangements of certain directors and employees. Contributions in the year were £36,996 (2019: £Nil).



## Rainham Industrial Services Limited (Registered number: 04582381)

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020****21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 December 2020 and 31 December 2019:

	2020 £	2019 £
<b>T E McCarthy</b>		
Balance outstanding at start of year	1,010,505	935,581
Amounts advanced	2,080	74,924
Amounts repaid	(50,957)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>961,628</u>	<u>1,010,505</u>
<b>A Rynston</b>		
Balance outstanding at start of year	35,576	22,610
Amounts advanced	2,141	12,966
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>37,717</u>	<u>35,576</u>
<b>D Paget</b>		
Balance outstanding at start of year	370,497	370,497
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>370,497</u>	<u>370,497</u>
<b>M Scaife</b>		
Balance outstanding at start of year	31,610	31,606
Amounts advanced	5	4
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>31,615</u>	<u>31,610</u>

Directors current accounts are unsecured, interest free and repayable on demand.



**Rainham Industrial Services Limited (Registered number: 04582381)**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020**

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**22. RELATED PARTY DISCLOSURES**

Certain directors and shareholders are members of the Rainham Industrial Services Pension Scheme ("the Scheme"), a collectively managed SIPP.

Transactions with the Scheme during the year were:

- An unsecured loan repayable in monthly installments over five years. The loan bears interest at a rate of 9%. Interest in the year was £58,984 (2019: £45,000) and the balance outstanding at year end was £847,152 (2019: £422,000) A further amount of £572,000 was advanced to the Company during 2020, hence the increase in the balance.

- Property leases - the Company leases three office properties from the Scheme, one of which is sub-let. Rent charged in the year was £101,750 (2019: £95,000) One of the properties was only rented from October 2020.

- IP licence - in 2013, the Company sold and leased back certain intellectual property for a period of seven years, which finished during 2020. Although the Company had the option to re-acquire these rights for nominal consideration at the end of the lease period, they chose not to. IP leasing costs in the year were £50,230 (2019: £86,000)

Nick Winks and Andy Pearson provide consultancy services through a limited company. Fees charged in the year were £20,433 (2019: £65,000) of which £1,200 (2019: £2,000) is included in trade creditors at the year end.

The Company purchases agency labour and equipment hire on an arm's length basis from two businesses controlled by Dean Morgan, a shareholder. Spend in the year was £1,617,348 (2019: £3,382,379) of which £823,646 (2019: £538,887) is included in trade creditors at the year end.

The Company gets their payroll services from a Company controlled by the son of shareholder and director Tim McCarthy. Spend in the year was £5,894,885 (2019: £1,251,000) of which £407,834 (2019: £376,000) is included in trade creditors at the year end.

**23. ULTIMATE CONTROLLING PARTY**

There is no single ultimate controlling party.



