

Vopak Terminal Teesside Limited
Directors' report and financial statements
for the year ended 31 December 2006

Registered Number 00829104



Vopak Terminal Teesside Limited
Directors' report and financial statements
for the year ended 31 December 2006
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Vopak Terminal Teesside Limited

Directors' report for the year ended 31 December 2006

The directors present their Annual Report and the audited financial statements of the company for the year ended 31 December 2006

Principal activities

The principal activity of the company during the year was the operation of bulk liquid storage facilities

Review of business

The results for 2006 largely reflect the Directors' assertion that trading was expected to continue to improve

Results and dividend

The company had a reasonable year of trading with turnover increasing due to higher tank occupancy and increased volumes of business. Costs have slightly increased. The profit for the year, after taxation, amounted to £2,505,000 (2005 £1,773,000)

A dividend of £3,000,000 was paid during the year (2005 £1,250,000)

Future outlook

The company is expected to continue to increase profitability as demand for storage increases occupancy levels and improves margins

Principal risks and uncertainties

The management of the business and execution of the company's strategy are subject to a number of risks

The key business risk is the safe operating environment and the continued support of its customers

Key performance indications (KPIs)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Directors and their interests

The directors who held office during the year were as follows

D E Bishop

C Scott

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company

Political and charitable contributions

The company made no political contributions during the year (2005 £nil)

Donations to UK charities amounted to £3,658 (2005 £1,809)

Vopak Terminal Teesside Limited

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

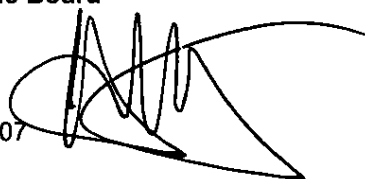
Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the annual general meeting.

By order of the Board

C Scott
Director

18 October 2007



Vopak Terminal Teesside Limited

Independent auditors' report to the members of Vopak Terminal Teesside Limited

We have audited the financial statements of Vopak Terminal Teesside Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Vopak Terminal Teesside Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Gatwick

19 October 2007

Vopak Terminal Teesside Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Turnover		13,105	11,209
Administrative expenses		(9,180)	(8,350)
Operating profit	2	3,925	2,859
Interest receivable and similar income	5	38	18
Interest payable and similar charges	6	(6)	(4)
Other finance charges	17	(247)	(265)
Profit on ordinary activities before taxation		3,710	2,608
Tax on profit on ordinary activities	8	(1,205)	(835)
Profit for the financial year		2,505	1,773

All of the activities relate to continuing activities

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

Statement of total recognised gains and losses for the year ended 31 December 2006

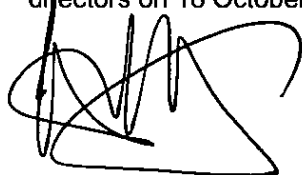
	Note	2006 £'000	2005 £'000
Profit for the financial year		2,505	1,773
Actuarial gain/(loss) on pension scheme	17	1,057	(1,746)
Movement on deferred tax relating to pension liability		(317)	524
Total recognised gains and losses relating to the year		3,245	551

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Balance sheet as at 31 December 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Tangible assets	9	18,683	19,774
Current assets			
Debtors	10	2,091	2,324
Cash at bank and in hand		1,050	349
		3,141	2,673
Creditors: amounts falling due within one year	11	(1,924)	(1,723)
Net current assets		1,217	950
Total assets less current liabilities		19,900	20,724
Provisions for liabilities and charges	12	(3,666)	(3,614)
Net assets excluding pension liability		16,234	17,110
Pension liability	17	(4,196)	(5,317)
Net assets		12,038	11,793
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	11,938	11,693
Equity shareholders' funds	15	12,038	11,793

The financial statements which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and related notes were approved by the board of directors on 18 October 2007 and were signed on its behalf by



C Scott
Director

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2006

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

Cashflow statement and related party disclosures

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company's cashflows in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Koninklijke Vopak NV, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions of balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Koninklijke Vopak NV, within which this company is included, can be obtained from the address given in note 17.

Fixed assets and depreciation

Costs of constructing new tank pits and the associated costs of relocating and installing tanks are capitalised.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Buildings and plant	4% – 20%
Motor vehicles	20%
Office equipment	10% – 33%

No depreciation is provided on freehold land.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Post retirement benefits

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company and the funds are managed by independent advisers.

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Contributions to the Vopak Terminals UK Pension and Life Assurance Scheme 2006 are assessed by qualified actuaries and are charged to the profit and loss account in accordance with FRS 17

The company also used to make contributions to private pension schemes set up on a money purchase basis on behalf of certain individuals. Contributions were charged to the profit and loss account in the period in which they relate

Deferred Taxation

Deferred taxation is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more or less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax balances have not been subject to discounting

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers

2 Operating profit

Operating profit is stated after charging

	2006 £'000	2005 £'000
Auditors' remuneration		
- Audit Services	12	15
- Non Audit Services	-	1
Depreciation of tangible fixed assets	1,864	1,824
Operating lease charges – land	21	20
Operating leases charges – other	57	47

3 Directors emoluments

	2006 £'000	2005 £'000
Directors' emoluments	-	50
Company contributions to money purchase pension schemes	8	-
	8	50

Retirement benefits are accruing to one (2005 one) director under a defined benefit scheme

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4 Staff numbers and costs

The average monthly number of persons (including directors) employed by the company during the year was

By activity	2006 Number	2005 Number
Administration	24	25
Operations	39	39
	63	64

	2006 £'000	2005 £'000
Wages and salaries	1,894	1,731
Social security costs	150	134
Other pension costs	503	386
Staff costs	2,547	2,251

5 Interest receivable and similar income

	2006 £'000	2005 £'000
Short term deposit interest	37	18
Other interest	1	-
	38	18

6 Interest payable and similar charges

	2006 £'000	2005 £'000
Bank overdraft	1	-
Other interest	5	4
Total	6	4

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7 Dividends

	2006	2005
	£'000	£'000
Dividends paid in 2006 to ordinary shareholders of £30 00 per share	3,000	-

8 Taxation

Analysis of charge in the year

(a) Analysis of tax charge in the year

	2006	2005
	£'000	£'000
UK corporation tax		
Current tax income for the year	1,252	814
Adjustments in respect of prior year	(75)	53
Total current tax (note 8 (b))	1,177	867
Deferred tax (see note 11)		
Origination of timing differences	(103)	(20)
Adjustments in respect of prior years	155	-
Pension cost relief in excess of pension charge	(24)	(12)
	28	(32)
Tax on profit on ordinary activities	1,205	835

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(b) Factors affecting the tax charge for the current period

The current tax charge for the year is higher (2005 higher) than the standard rate of corporation tax in the UK 30% (2005 30%) The differences are explained below

	2006 £'000	2005 £'000
Current tax reconciliation		
Profit on ordinary activities before tax	3,710	2,608
Current tax at 30% (2005 30%)	1,113	782
Effects of:		
Expenses not deductible for tax purposes	12	-
Capital allowances for period (in excess of) less than depreciation	91	20
Adjustments to tax charge in respect of previous periods	(75)	53
Other short term timing differences	12	-
Pension cost relief in excess of pension charge	24	12
Total current tax charge (note 8 (a))	1,177	867

9 Tangible assets

	Land	Buildings and plant	Assets under course of construction	Motor vehicles	Office equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2006	796	39,100	557	18	1,684	42,155
Additions			773			773
Transfers between		940	(1,027)		87	
At 31 December 2006	796	40,040	303	18	1,771	42,928
Depreciation						
At 1 January 2006	-	21,677	-	16	688	22,381
Charge for the year		1,616		1	247	1,864
At 31 December 2006		23,293		17	935	24,245
Net book value						
At 31 December 2006	796	16,747	303	1	836	18,683
At 31 December 2005	796	17,423	557	2	996	19,774

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The net book value of land and buildings comprise

	2006	2005
	£'000	£'000
Freehold land and buildings	939	939

10 Debtors

	2006	2005
	£'000	£'000
Amounts falling due within one year		
Trade debtors	1,390	1,495
Amounts owed by group undertakings	203	262
Prepayments and accrued income	428	452
Other debtors	70	115
	2,091	2,324

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment

11 Creditors: amounts falling due within one year

	2006	2005
	£'000	£'000
Trade creditors	431	406
Amounts owed to group undertakings	-	21
Corporation tax	463	487
Other taxation and social security	387	250
Accruals and deferred income	643	559
	1,924	1,723

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment

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12 Provisions for liabilities and charges

	2006	2005
	£'000	£'000
At beginning of year	3,614	3,634
Charge/(credit) for the year (note 8)	52	(20)
At end of year	3,666	3,614

The amounts provided for deferred taxation are set out below

	2006	2005
	£'000	£'000
Differences between accumulated depreciation and capital allowances	3,689	3,757
Other timing differences	(23)	(143)
Deferred tax liability	3,666	3,614

13 Called up share capital

	2006	2005
	£'000	£'000
Authorised		
Equity 100,000 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
Equity 100,000 ordinary shares of £1 each	100	100

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14 Reserves

	Profit and Loss 2006 account
	£000
Balance at 1 January	11,693
Profit for the financial year	2,505
Dividends paid	(3,000)
Actuarial gain on pension scheme	1,057
Movement on deferred tax relating to pension scheme	(317)
At 31 December 2006	11,938

15 Reconciliation of shareholders' funds and movements on reserves

	2006 £'000	2005 £'000
Opening shareholders funds at 1 January 2006	11,793	11,242
Profit for the financial year	2,505	1,773
Dividend paid	(3,000)	-
Actuarial gain/(loss) on pension scheme	1,057	(1,746)
Movement on deferred tax relating to pension scheme	(317)	524
At 31 December 2006	12,038	11,793

16 Commitments

Capital commitments at the end of the financial year for which no provision has been made, are as follows

	2006 £'000	2005 £000
Contracted	126	216

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Annual commitments under non-cancellable operating leases are as follows

	2006		2005	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
- Within one year	-	6	-	2
- In the second to fifth years inclusive	-	29	-	40
- Over five years	20	-	20	-
	20	35	20	42

17 Pension commitments

The company contributed to defined contribution pension schemes on behalf of certain employees. There were no contributions paid by the company to the scheme for 2006 (2005: £nil).

The company participates in the Vopak Terminals UK Pension and Life Assurance Scheme 2005. The scheme is provided for certain employees of Vopak Terminal Ipswich Limited, Vopak Terminal Windmill Limited, Vopak Terminal London BV Limited and Vopak Terminal Teesside Limited. The company's employees are entitled, after a specific service period, to join. The scheme is a funded, defined benefit scheme which provides pension and other related benefits based on final pensionable pay. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit credit method.

On 1 January 2007 the Van Ommeren Pension Scheme was incorporated into the Vopak Terminals UK Pension and Life Assurance Scheme 2005. The latest full actuarial valuation of the Vopak Terminals UK Pension and Life Assurance Scheme 2005 was carried out by the scheme actuary, Mr M E Harvey FIA, as at 1 January 2006. The results of this valuation have been used as a basis for assessing pension costs. The projected unit credit method was used for this valuation using a market related approach. The principal actuarial assumptions adopted were that the investment return would average 6.5% per annum, that salary increases would average 3.0% per annum and that present and future pensions would increase at the rate of up to 2.5% per annum, exclusive of Guaranteed Minimum Pension (GMP), which would increase at a rate of 5% per annum.

At the date of the latest actuarial valuation the market value of the assets in the scheme was £17.020m which represented 73% of the actuarial value of the accrued benefits on the basis of the assumptions summarised above. The accrued benefits include all benefits for former employees with deferred entitlements as well as benefits based on service completed to date for active members, allowing for future salary increases. The Scheme Specific Funding Requirement (SSFR) funding level at 1 January 2006 was 73.5%.

A FRS17 valuation of the Vopak Terminals UK Pension and Life Assurance Scheme 2005 was performed at 31 December 2006 by MR M E Harvey FIA. The major financial assumptions adopted for assessing the schemes liabilities as at 31 December 2006 were as follows:

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	2006 %	2005 %	2004 %
Rate of increase in salaries	4.00	3.50	4.00
Rate of increase in pensions in payment (in excess of GMP)	3.50	3.50	5.00
Discount rate	5.00	5.25	5.25
Inflation assumption	3.00	3.00	3.00

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice

The assets in the scheme and the expected rate of return were

	2006		2005		2004	
	Expected long term rate of return %	Value £'000	Expected long term rate of return %	Value £'000	Expected long term rate of return %	Value £'000
Equities	7.3	4,794	7.0	3,642	7.0	4,539
Bonds	5.5	1,538	5.5	1,387	5.5	30
Gilts and fixed interest	5.0	308	4.5	321	4.5	76
Cash and other assets	5.8	1,610	5.1	1,071	4	452
Fair value of scheme assets	6.6	8,250	6.2	6,421	6.7	5,097
Actuarial value of scheme liabilities		(14,244)		(14,017)		(10,906)
Deficit in the scheme – Pension liability		(5,994)		(7,596)		(5,809)
Related deferred tax asset		1,798		2,279		1,743
Net pension liability		(4,196)		(5,317)		(4,066)

Analysis of amount charged to operating profit

	2006 £'000	2005 £'000
Operating profit		
Current service cost	499	386

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Analysis of amount debited to finance costs

	2006	2005
	£'000	£'000
Expected return on pension scheme assets	(416)	(316)
Interest on pension scheme liabilities	663	581
	247	265

Analysis of amounts recognised in statement of total recognised gains and losses

	2006	2005
	£'000	£'000
Actual return less expected return on pension scheme assets	147	477
Experience gains/(losses) arising on the scheme liabilities	258	(353)
Changes in assumptions underlying the present value of the scheme liabilities	652	(1,870)
Actuarial loss recognised in STRGL before adjustment for tax	1,057	(1,746)

Movement in deficit during the year

	2006	2005
	£'000	£'000
Deficit in scheme at beginning of year	(7,595)	(5,809)
Movements in year to 31 December		
Current service cost	(499)	(386)
Net contributions	1,290	611
Other finance cost	(247)	(265)
Actuarial gain/(loss)	1,057	(1,746)
Deficit in the scheme at end of year	(5,994)	(7,595)

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History of experience gains and losses

	2006		2005		2004	
	%	£'000	%	£'000	%	£'000
Actual return less expected return on scheme assets		147		477		(146)
Percentage of year end scheme assets	1.9		7.4		(2.8)	
Experience gains/(losses) arising on scheme liabilities		259		(353)		94
Percentage of present value of year end scheme liabilities	1.8		(2.5)		5.7	
Changes in assumptions underlying the present value of scheme liabilities		652		(1,870)		(626)
Percentage of present value of year end scheme liabilities	4.6		(13.3)		(5.7)	
Actuarial gain recognised in statement of total recognised gains and losses		1,057		(1,746)		(678)
Percentage of present value of year end scheme liabilities	7.4		(12.5)		(6.2)	

18 Ultimate and Immediate companies

At 31 December 2006 the company was a subsidiary of Vopak Holding Logistics UK Limited, a company registered in England and Wales

The ultimate holding company and controlling party is Koninklijke Vopak NV, incorporated in the Netherlands

The group accounts of the ultimate parent undertaking can be obtained from Westerlaan 10, 3016 CK Rotterdam, The Netherlands

19 Post balance sheet event

On 1 January 2007 the Van Ommeren Pension Scheme was merged into the Vopak Terminals UK Pension and Life Assurance Scheme 2005. On 5 January 2007, £5,300,000 was paid into merged Scheme