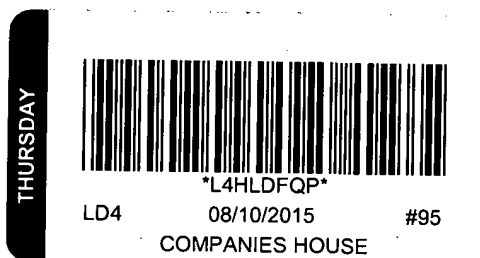


Vopak Terminal Teesside Limited
Annual report and financial statements
for the year ended 31 December 2014

Registered number 00829104



Vopak Terminal Teesside Limited

Annual report and financial statements

for the year ended 31 December 2014

Contents

Directors and advisers	1
Strategic report for the year ended 31 December 2014.....	2
Directors' report for the year ended 31 December 2014	4
Independent auditors' report to the members of Vopak Terminal Teesside Limited	6
Profit and loss account for the year ended 31 December 2014.....	8
Statement of total recognised gains and losses for the year ended 31 December 2014	8
Balance sheet as at 31 December 2014	9
Notes to the financial statements for the year ended 31 December 2014	10

Vopak Terminal Teesside Limited

Directors and advisers

Directors

D Meurs
I Cochrane

Company secretary

R R Goldsmid

Registered office

Vopak Terminal Teesside Ltd
Oliver Road
West Thurrock
Grays
Essex
England
RM20 3ED

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Portland Building
25 High Street
Crawley
West Sussex
RH10 1BG

Bankers

Royal Bank of Scotland plc
Shipping Business Centre
5-10 Great Tower Street
London
EC3P 3HX

Solicitors

Eversheds
Central Square South, Orchard Street,
Newcastle Upon Tyne
NE1 3XX

Registered number

00829104

Vopak Terminal Teesside Limited

Strategic report for the year ended 31 December 2014

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

Review of business

2014 continued to be another successful year for the terminal. Fuels related revenues improved with a marginal decline in Chemical and Bio-Fuel related revenues. Cost control remains a focal point. Pension related costs increased again in 2014 whilst depreciation costs decreased. Overall, profitability remained consistent with prior years. Customer service and safety remain the key focus points in driving the business forward. The number of temporary employees decreased from 12 to 7 further contributing to the positive performance. The terminal remains ideally placed handling a multitude of product streams and is no longer singularly reliant on the chemical market. At the end of 2014, there were no significant financial risks relating to any of the assets or liabilities.

Results and dividends

The terminal performed similarly with 2013 with consistent revenue generation and tight cost control. Throughputs were consistent with prior year. The profit for the financial year amounted to £5,958,000 (2013: £6,822,000).

A final dividend of £5,000,000 was both recommended and paid during the year (2013: £4,000,000).

Future developments

The company is expected to continue in the future to increase profitability at a marginal rate in all areas. The chemical market has stabilised for the immediate future. Although the Bio-fuels market faces ongoing pressure, at present our bio-fuels customer appears to be resilient. We continue to look at stabilising our chemical flows with links to key industries in the Teesside area.

Key performance indicators

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

Principal risks and uncertainties

The key business risks continue to be the safe operating environment and the continued support of our customers. A high level of emphasis is placed on all safety aspects of the business with focus both internally and from a corporate and divisional perspective. The attention to safety is closely aligned to our customers' objectives in providing an efficient and safe environment for the handling and storage of their products.

Vopak Terminal Teesside Limited

Strategic report for the year ended 31 December 2014 (continued)

Financial risk management

Currency risk

The company is not exposed to currency risks. All transactions are in Sterling.

Interest rate risk

The company is exposed to the consequences of variable interest rates on inter-group liabilities.

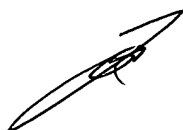
Credit risk

The company does not have any significant concentrations of credit risk. Various corporate initiatives have been implemented to ensure early identification of possible exposure to customers who may be considered a credit risk. No significant cash and deposits are held by the company as excess funds are repatriated to the holding company.

Liquidity risk

The directors ensure adequate resources are available to meet the funding requirements of the company through forecasting and budgeting and ensuring support is available from fellow group undertakings. Financial support is available in the form of loans from its immediate holding company in the United Kingdom.

The strategic report was approved by the Board of Directors and signed on its behalf by



I Cochrane
Director

30 September 2015

Vopak Terminal Teesside Limited

Directors' report for the year ended 31 December 2014

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2014.

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

I Cochrane

D Meurs (Appointed 1 July 2015)

F Erkelens (Resigned 1 July 2015)

Political and charitable contributions

Donations made to local and national Children's, Educational, and Health charities amounted to £4,752 (2013: £3,806). No political donations or individual charitable amounts over £2,000 were made in either year.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Statement as to disclosure of information to auditors

The directors confirm that, so far as they are each aware, there is no relevant information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 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 will continue in business.

Vopak Terminal Teesside Limited

Directors' report for the year ended 31 December 2014 (continued)

Statement of directors' responsibilities (continued)

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.

Dividends, future developments and Financial risk management

Please refer to the Strategic Report for the above.

Going Concern

The directors believe that preparing the financial statements on the going concern basis is appropriate.

On behalf of the board



J Cochrane
Director

30 September 2015

Vopak Terminal Teesside Limited

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

Report on the financial statements

Our opinion

In our opinion, Vopak Terminal Teesside Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

What we have audited

The financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account and Statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Vopak Terminal Teesside Limited

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Peter Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
02 October 2015

Vopak Terminal Teesside Limited

Profit and loss account for the year ended 31 December 2014

Registered Number 00829104

	Note	2014 £'000	2013 £'000
Turnover	1	22,018	22,186
Administrative expenses		(14,564)	(14,191)
Operating profit	2	7,454	7,995
Other interest receivable and similar income	5	158	111
Profit on ordinary activities before taxation		7,612	8,106
Tax on profit on ordinary activities	7	(1,654)	(1,284)
Profit for the financial year	13	5,958	6,822

All of the activities relate to continuing operations.

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

Statement of total recognised gains and losses for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Profit for the financial year		5,958	6,822
Actuarial loss on pension scheme	16	(2,313)	(149)
Pension liability adjustment in respect of transfers to Vopak			
Services UK Limited	16	-	28
Movement on deferred tax relating to pension liability	11	463	28
Effect of reduction in future tax rate		-	(89)
Total recognised gains and losses relating to the year		4,108	6,640

Vopak Terminal Teesside Limited

Balance sheet as at 31 December 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	8	37,108	38,478
Current assets			
Debtors	9	6,333	4,679
Cash at bank and in hand		396	844
		6,729	5,523
Creditors: amounts falling due within one year	10	(17,605)	(18,835)
Net current liabilities		(10,876)	(13,312)
Total assets less current liabilities		26,232	25,166
Provisions for liabilities	11	(3,974)	(3,880)
Net assets excluding pension deficit		22,258	21,286
Pension deficit	16	(3,192)	(1,328)
Net assets		19,066	19,958
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	18,966	19,858
Total shareholders' funds	14	19,066	19,958

The financial statements on pages 8 to 25 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 30 September 2015 and were signed on its behalf by:



I Cochrane
Director

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, notwithstanding the net current liabilities position. The directors have considered the funding and liquidity position of the company including future forecast cash flows and confirm it's appropriate to continue to prepare the financial statements on a going concern basis.

These financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies, which have been applied consistently throughout the year and preceding year, are set out below.

Cash flow statement and related party disclosures

Under FRS 1 'Cash flow Statements' (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company's cash flows in its own published consolidated financial statements.

As the company is ultimately a wholly owned subsidiary of Koninklijke Vopak NV, the company has taken advantage of the exemption contained in FRS 8 'Related Party Disclosures' and has therefore not disclosed transactions or 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

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. The market values of land and buildings are not known but are not considered to be materially different to the disclosed book value.

No depreciation is provided on freehold land. Assets under construction are not depreciated until they are brought into use. Residual values and useful economic lives are reviewed annually. Any impairment in value is charged to the profit and loss account when it is identified.

Foreign currencies

Monetary assets and liabilities in foreign currencies are retranslated using the contracted rate or the rates of exchange ruling at the balance sheet date. Any gain or loss is included as an exchange gain or loss in the profit and loss account.

Leases

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

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies (continued)

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.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the defined benefit pension scheme expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other interest receivable and similar income. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Deferred taxation

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred revenue

Funds received in advance for customer specific projects are held as deferred revenue until such time as the projects are complete and operational. The deferred revenue is released to the profit and loss account over the period of the contract with the specific customer.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders and they are committed to making the payment. Interim dividends are recognised upon payment.

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies (continued)

Turnover

Turnover represents the amounts derived from the supply of tank storage and other services, less discounts and is stated net of value added tax.

The majority of the income relates to the provision of storage. This is recognised in the relevant month that the storage is provided. Other services such as overtime and handling are recognised in the month the service is provided to the customer.

Turnover by storage type	2014 £'000	2013 £'000
Chemical	11,508	12,023
Petroleum	6,946	6,746
Biofuels	2,342	2,270
Other	1,222	1,147
	22,018	22,186

2 Operating profit

Operating profit is stated after charging:

	2014 £'000	2013 £'000
Depreciation of tangible fixed assets	2,952	3,216
Loss on disposal of tangible fixed assets	-	16
Operating lease charges		
– Plant and machinery	43	55
– Other	61	50
Services provided by the company's auditor		
– Fees payable for the audit	29	22

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

3 Directors emoluments

	2014 £'000	2013 £'000
Aggregate emoluments	97	84

One director is remunerated through the trading companies, Vopak Terminal London Limited BV and Vopak Terminal Teesside Limited (2013:one). During the year, director's salaries, totalling £194,000 (2013: £168,000) were charged between the two companies. One (2013: one) director does accrue benefits under the group defined benefit pension scheme.

4 Staff costs

	2014 £'000	2013 £'000
Wages and salaries	3,377	3,036
Social security costs	330	305
Other pension costs (note 16)	1,082	774
	4,789	4,115

Included in other pension costs is death in service insurance contributions of £47,000 (2013: £37,000) and defined contribution cost of £26,000 (2013: £3,000) which are borne by the company.

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

By activity	2014 Number	2013 Number
Administration	39	36
Operations	35	35
	74	71

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

5 Interest receivable and similar income

	2014	2013
	£'000	£'000
Net Finance Income (Note 16)	158	111

6 Dividends

	2014	2013
	£'000	£'000
Dividends paid to ordinary shareholders at the rate of £50 (2013: £40) per share (note 14)	5,000	4,000

7 Tax on profit on ordinary activities

(a) Analysis of tax charge in the year:

	2014	2013
	£'000	£'000
Corporation tax on profits for the year	1,563	1,738
Total current tax (note 7 (b))	1,563	1,738
Deferred tax		
Origination of timing differences	94	134
Effect of reduction in future tax rate	-	(582)
Pension cost relief in excess of pension charge	(3)	33
Effect of reduction in future tax rate relating to pension	-	(39)
Total deferred tax (note 11)	91	(454)
Tax charge on profit on ordinary activities	1,654	1,284

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

7 Tax on profit on ordinary activities (continued)

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

The current tax charge for the year is lower (2013: lower) than the standard rate of corporation tax in the UK 21.5% (2013: 23.25%). The differences are explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	7,612	8,106
Profit on ordinary activities multiplied by standard rate in the UK at 21.5% (2013: 23.25%)	1,636	1,884
Effects of:		
Expenses not deductible for tax purposes	29	24
Capital allowances for year in excess of depreciation	(105)	(138)
Pension cost relief in excess of pension charge	3	(32)
Total current tax charge (note 7 (a))	1,563	1,738

The UK corporation tax rate reduced to 21% effective from 1 April 2014, and to 20% effective from 1 April 2015.

As at the balance sheet date, both of the tax rate reductions had been 'substantively enacted', and hence in accordance with accounting standards, they have been reflected within the company's financial statements as at 31 December 2014. Deferred tax is therefore recognised at 20% at the balance sheet date. The rate changes will also impact the amount of future tax payments to be made by the company.

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Tangible assets

	Freehold Land	Buildings and plant	Assets under construction	Motor vehicles	Office equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2014	796	72,266	2,736	43	2,597	78,438
Additions	-	-	1,582	-	-	1,582
Transfers	-	2,457	(2,768)	4	307	-
Disposals	-	(6)	-	-	(60)	(66)
At 31 December 2014	796	74,717	1,550	47	2,844	79,954
Accumulated depreciation						
At 1 January 2014	-	37,578	-	4	2,378	39,960
Charge for the year	-	2,574	-	10	368	2,952
Released on disposal	-	(6)	-	-	(60)	(66)
At 31 December 2014	-	40,146	-	14	2,686	42,846
Net book value						
At 31 December 2014	796	34,571	1,550	33	158	37,108
At 31 December 2013	796	34,688	2,736	39	219	38,478

9 Debtors

	2014	2013
	£'000	£'000
Trade debtors	2,058	1,948
Amounts owed by group undertakings	3,184	1,863
Other debtors	370	294
Prepayments and accrued income	721	574
	6,333	4,679

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

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Trade creditors	762	1,058
Amounts owed to group undertakings	2,712	2,712
Corporation tax	755	915
Other taxation and social security	600	456
Accruals and deferred income	12,776	13,694
	17,605	18,835

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

11 Provisions for liabilities

	2014	2013
	£'000	£'000
Deferred tax excluding pension at 1 January	3,880	4,328
Charge for the year (note 7)	94	134
Effect of reduction in future tax rate	-	(582)
Deferred tax excluding pension at 31 December	3,974	3,880

The amounts provided for deferred taxation are set out below:

	2014	2013
	£'000	£'000
Differences between accumulated depreciation and capital allowances	3,974	3,880
Deferred tax liability excluding that relating to pension	3,974	3,880
Deferred tax asset on pension deficit (note 16)	(798)	(332)
	3,176	3,548

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 Provision for liabilities (continued)

Deferred tax reconciliation:

	£'000
Deferred tax liability at 1 January 2014	3,548
Deferred tax debit in profit and loss account for the year (note 7)	91
Deferred tax credit to the statement of total recognised gains and losses	(463)
Deferred tax liability at 31 December 2014	3,176

12 Called up share capital

	2014 £'000	2013 £'000
Authorised		
100,000 (2013: 100,000) ordinary shares of £1 each	100	100
Allotted and fully paid		
100,000 (2013: 100,000) ordinary shares of £1 each	100	100

13 Profit and loss account

	2014 £000
Balance at 1 January	19,858
Profit for the financial year	5,958
Dividend paid	(5,000)
Actuarial loss on pension scheme	(2,313)
Movement on deferred tax relating to pension scheme	463
Effect of reduction in future tax rate	-
At 31 December	18,966

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

14 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Opening shareholders' funds	19,958	17,318
Profit for the financial year	5,958	6,822
Dividend paid	(5,000)	(4,000)
Actuarial loss on pension scheme	(2,313)	(149)
Movement on deferred tax relating to pension scheme	463	28
Pension liability adjustment in respect of transfers to Vopak Services U.K. Limited	-	28
Effect of reduction in future tax rate	-	(89)
Closing shareholders' funds	19,066	19,958

15 Commitments

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

	2014 £'000	2013 £'000
Contracted	789	530

Annual commitments under non-cancellable operating leases are as follows:

	2014		2013	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire:				
- Within one year	-	22	14	58
- In the second to fifth years inclusive	-	81	-	52
- Over five years	27	-	27	-
	27	103	41	110

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

16 Pension commitments

The company participates in the Vopak Terminals UK Pension and Life Assurance Scheme 2005. The scheme is provided for certain employees of Vopak Terminal Windmill Limited, Vopak Terminal London Limited BV, Vopak Terminal Teesside Limited and Vopak Services U.K. Limited. The scheme is closed to new entrants with a defined contribution scheme being established for new employees. The company's employees are entitled to join the defined contribution scheme after a specific service period. The defined benefit 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 31 December 2011. 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 investment returns of 6.00% per annum before retirement and 4.0% after retirement, that salary increases would average 4.00% per annum and that present and future pensions would increase at the rate of up to 3.00% per annum, exclusive of Guaranteed Minimum Pension (GMP), which would increase at a rate of 5.00% per annum.

At the date of the latest actuarial valuation, the market value of the assets in the scheme was £44.842m which represented 81.5% 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.

A FRS17 valuation of the Vopak Terminals UK Pension and Life Assurance Scheme 2005 was performed at 31 December 2014 by Mr A Pearce FIA. The major financial assumptions adopted for assessing the schemes liabilities as at 31 December 2014 were as follows:

	2014	2013
	%	%
Rate of increase in salaries	4.25	4.50
Rate of increase in pensions in payment (in excess of GMP)	2.70	2.80
Discount rate	3.68	4.42
Inflation assumption	3.25	3.50

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

16 Pension commitments (continued)

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 mortality assumptions rates:

	2014	2013
Longevity at age 65 for current pensioners		
- Men	23.3	22.8
- Women	25.7	25.8
Longevity at age 65 for future pensioners		
- Men	26.4	24.4
- Women	28.9	25.8

The scheme's assets and liabilities are split between the various group companies according to the company in which the members are, or were, employed.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields prior to balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The fair value of the company's share of the scheme assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the company's share of the scheme liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

16 Pension commitments (continued)

	2014		2013	
	Expected long term rate of return %	Value £'000	Expected long term rate of return %	Value £'000
Equities	7.00	10,184	7.00	9,913
Bonds	3.90	13,124	3.90	12,503
Property	7.00	1,236	7.00	1,177
Cash and other assets	2.00	311	2.00	176
Fair value of scheme assets		24,855		23,769
Actuarial value of scheme liabilities		(28,845)		(25,429)
Deficit in the scheme – Pension liability		(3,990)		(1,660)
Related deferred tax asset		798		382
Effect of reduction in future tax rate – Profit and loss credit		-		39
Effect of reduction in future tax rate – STRGL charge		-		(89)
Net pension liability		(3,192)		(1,328)

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

16 Pension commitments (continued)

Analysis of amount charged to operating profit:

	2014	2013
	£'000	£'000
Operating profit:		
Current service cost	1,009	734

Analysis of amount credited to other interest receivable and similar income:

	2014	2013
	£'000	£'000
Expected return on pension scheme assets	1,269	1,084
Interest on pension scheme liabilities	(1,111)	(973)
Net finance income	158	111

Actuarial gains and losses

The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses is £8,954,000 (2013:£ 7,104,000).

Return on scheme assets

The return on scheme assets was £876,000 (2013: £2,987,000)

Reconciliation of present value of scheme liabilities:

	2014	2013
	£'000	£'000
1 January	(25,429)	(22,228)
Service cost	(1,009)	(734)
Interest cost	(1,111)	(973)
Actuarial loss	(1,920)	(2,052)
Benefits paid	745	304
Liability adjustment in respect of transfers to Vopak Services U.K. Limited	-	374
Members' contributions	(121)	(120)
31 December	(28,845)	(25,429)

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

16 Pension commitments (continued)

Reconciliation of fair value of scheme assets:

	2014 £'000	2013 £'000
1 January	23,769	20,542
Expected return	1,269	1,084
Actuarial loss	(393)	1,903
Contribution by employer	834	770
Contribution by members	121	120
Asset adjustment in respect of transfers to Vopak Services U.K. Limited	-	(346)
Benefits paid	(745)	(304)
31 December	24,855	23,769

The company expects to contribute £800,000 to its defined benefit pension scheme in 2015.

History of experience gains and losses:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Defined benefit obligation	(28,845)	(25,429)	(22,228)	(19,700)	(15,735)
Plan assets	24,855	23,769	20,542	16,223	14,713
Deficit	(3,990)	(1,660)	(1,686)	(3,477)	(1,022)
Experience adjustments on plan liabilities	(1,920)	(2,052)	(1,141)	(2,153)	1,367
Experience adjustments on plan assets	(393)	1,903	1,124	(929)	336
Actuarial (loss) / gain recognised in the Statement of Total Recognised Gains and Losses	(2,313)	(149)	(17)	(3,082)	1,409

Vopak Terminal Teesside Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

16 Pension commitments (continued)

Defined contribution scheme

The cost of contributions to the defined contribution benefit scheme amounts to £26,000 (2013:£3,000). There are no outstanding or prepaid contributions (2013: £Nil)

17 Ultimate and immediate parent undertakings

Throughout the period and up to the date of signing, 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, which is the parent undertaking of the largest and smallest group to consolidate these financial statements.

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