

Registered number: 2193829

AarhusKarlshamn Hull Limited

Directors' report and financial statements

for the year ended 31 December 2013



AarhusKarlshamn Hull Limited

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AarhusKarlshamn Hull Limited

Directors' report for the year ended 31 December 2013

The directors present their report and the audited financial statements for the year ended 31 December 2013.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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;
- 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.

Directors

The directors who served during the year were:

T A Stephenson
D M Craven

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a directors in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

AarhusKarlshamn Hull Limited

**Directors' report
for the year ended 31 December 2013**

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'D M Craven', is positioned above the printed name.

D M Craven
Director

Date: 30 April 2014

Independent auditors' report to the members of AarhusKarlshamn Hull Limited

Report on the company financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by AarhusKarlshamn Hull Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account 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 their preparation comprises 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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) ("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.

In addition, we read all the financial and non-financial information in the Directors' report 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.

Opinions on matters prescribed by the Companies Act 2006

In our opinion the information given in 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.

Independent auditors' report to the members of AarhusKarlshamn Hull Limited

Directors' remuneration

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

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 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.



Peter Adams (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP

2 Humber Quays
Wellington Street West
Hull
HU1 2BN

30 April 2014

AarhusKarlshamn Hull Limited

**Profit and loss account
for the year ended 31 December 2013**

	Note	2013 £000	2012 £000
Administrative expenses		(13)	-
Other operating income	2	117	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		104	-
Tax on profit on ordinary activities	5	(48)	(34)
		<hr/>	<hr/>
Profit/(loss) for the financial year	11	56	(34)
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

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

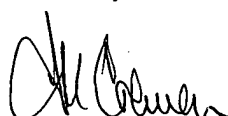
The notes on pages 7 to 11 form part of these financial statements.

AarhusKarlshamn Hull Limited
Registered number: 2193829

Balance sheet
as at 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
Fixed assets					
Tangible assets	6		29		282
Current assets					
Debtors	7	9,383		9,005	
Creditors: amounts falling due within one year	8	(914)		(845)	
Net current assets			8,469		8,160
Total assets less current liabilities			8,498		8,442
Creditors: amounts falling due after more than one year	9		(7,000)		(7,000)
Net assets			1,498		1,442
Capital and reserves					
Called up share capital	10		1,500		1,500
Revaluation reserve	11		14		148
Profit and loss account	11		(16)		(206)
Total shareholders' funds	12		1,498		1,442

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



D M Craven
Director

Date: 30 April 2014

The notes on pages 7 to 11 form part of these financial statements.

**Notes to the financial statements
for the year ended 31 December 2013**

1. Accounting policies

1.1 Basis of preparation of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of Land and Buildings, 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, are set out below.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 4%
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1.4 Revaluation of tangible fixed assets

As permitted by the transitional provisions of FRS 15, the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 31 December 2009 and will not update that valuation.

1.5 Deferred taxation

Deferred tax is recognised in respect of all 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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it can be regarded as more likely than not that future taxable profits will be available against which the unused tax losses can be utilised.

2. Other operating income

	2013	2012
	£000	£000
Profit on sale of tangible assets	117	-

**Notes to the financial statements
for the year ended 31 December 2013**

3. Auditors' remuneration

In 2013 and 2012 auditors' remuneration of £500 was borne by another group company.

4. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2012 - £NIL) for their services to the company.

5. Taxation

	2013 £000	2012 £000
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	23	-
Adjustments in respect of prior years	25	34
	<u>48</u>	<u>34</u>
Tax on profit on ordinary activities		
	<u>48</u>	<u>34</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	104	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	24	-
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(1)	-
Adjustments in respect of prior years	25	34
	<u>48</u>	<u>34</u>
Current tax charge for the year (see note above)		
	<u>48</u>	<u>34</u>

Factors that may affect future tax charges

During the year, as a result of changes in the UK main corporation tax rate to 24% that was substantively enacted on 26 March 2012 and that was effective from 1 April 2012, and to 23% that was substantively enacted on 3 July 2012 and that will be effective from 1 April 2013, the relevant deferred tax balances have been re-measured.

Further reductions to the UK corporation tax rate were announced in the March 2013 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate to 20% by April 2015. The changes have not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

Notes to the financial statements
for the year ended 31 December 2013

6. Tangible fixed assets

	Freehold land and buildings £000
Cost or valuation	
At 1 January 2013	685
Disposals	(656)
At 31 December 2013	29
Accumulated Depreciation	
At 1 January 2013	403
On disposals	(403)
At 31 December 2013	-
Net book value	
At 31 December 2013	29
At 31 December 2012	282

Included in land and buildings is freehold land at valuation of £29,000 (2012 - £282,000) which is not depreciated.

7. Debtors

	2013 £000	2012 £000
Amounts owed by group undertakings	9,383	9,004
Other debtors	-	1
	9,383	9,005

Amounts owed by group companies are interest free and repayable on demand.

8. Creditors:
Amounts falling due within one year

	2013 £000	2012 £000
Amounts owed to group undertakings	864	845
Corporation tax	48	-
Accruals and deferred income	2	-
	914	845

Amounts owed to parent and fellow subsidiary undertakings are interest free and repayable on demand.

**Notes to the financial statements
for the year ended 31 December 2013**

**9. Creditors:
Amounts falling due after more than one year**

	2013	2012
	£000	£000
7,000,000 redeemable preference shares of £1 each	7,000	7,000

Creditors include amounts not wholly repayable within 5 years as follows:

	2013	2012
	£000	£000
Repayable other than by instalments	7,000	7,000

The following is a summary of the rights under the company's articles of association relating to voting, income, capital, conversion and redemption rights which attach to the preference shares.

Voting

The preference shares shall entitle the holders to receive notice of but shall not entitle the holders to attend and vote at any general meeting of the company unless:

- the preference dividend shall be in arrears for at least six months, or
- the company shall have defaulted in its redemption obligations, or
- the business of the meeting includes a resolution for the winding up of the company.

In the event of the above the preference shareholder will be entitled to one vote for every preference share held by him.

Income

The preference shares carry the right to a fixed annual cumulative preferential dividend of 3.75p (net) payable in arrears in equal instalments on 1 January and 1 July each year. The preference shareholders have waived their right to the dividends of £262,500 in respect of the year ended 31 December 2013 and 31 December 2012.

Capital

The preference shares rank ahead of the ordinary shares on a winding up or other return of capital (other than by purchase or redemption of shares) in respect of £1 per share together with any arrears and accruals of dividend at the date of the repayment.

Conversion

The preference shares are non-convertible.

Redemption

Subject to the provisions of the Companies Act, the company may at any time on giving no less than thirty days notice in writing, redeem all or any of the Preference Shares. On 31 December 2095 the company shall redeem any shares remaining in issue and outstanding on that date. The preference shares so redeemed shall be redeemed at £1 per share together with any arrears or accruals of dividend to the date of redemption.

10. Share capital

	2013	2012
	£000	£000
Allotted, called up and fully paid		
1,500,000 (2012: 1,500,000) Ordinary shares of £1 each	1,500	1,500

**Notes to the financial statements
for the year ended 31 December 2013**

11. Reserves

	Revaluation reserve £000	Profit and loss account £000
At 1 January 2013	148	(206)
Profit for the financial year		56
Transfer between Revaluation reserve and P/L account	(134)	134
At 31 December 2013	<u>14</u>	<u>(16)</u>

12. Reconciliation of movements in shareholders' funds

	2013 £000	2012 £000
Opening shareholders' funds	1,442	1,476
Profit/(loss) for the financial year	56	(34)
Closing shareholders' funds	<u>1,498</u>	<u>1,442</u>

13. Related party transactions

The company has taken advantage of the exemption under FRS 8, 'Related Party Disclosures' not to disclose related party transactions with fellow group companies. The exemption is available as it is a wholly owned subsidiary and its financial information is included in the consolidated financial statements of the ultimate parent company (see note 14).

14. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Karlshamns UK Holdings plc, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is AarhusKarlshamn AB, a company incorporated in Sweden.

AarhusKarlshamn AB is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2013. The consolidated financial statements of AarhusKarlshamn AB are available from AarhusKarlshamn AB, Skeppsgatan 19, SE-211 19 Malmö, Sweden.