

Company Registration No. 07402297

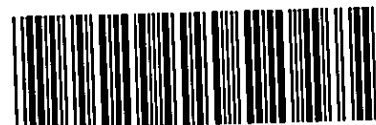
**REDCAR BULK TERMINAL LIMITED**

**Report and Financial Statements**

**For the year ended 31 December 2014**

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# **REDCAR BULK TERMINAL LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2014**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>4</b>
<b>Directors' responsibilities statement</b>	<b>5</b>
<b>Independent auditor's report to the members of Redcar Bulk Terminal Limited</b>	<b>6</b>
<b>Profit and loss account</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Cash flow statement</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11</b>

# **REDCAR BULK TERMINAL LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2014

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

	Appointment date	Resignation date
J M Bolton	24/03/2011	-
D Nicol	24/03/2011	-
C J Louwrens	21/10/2011	05/10/2015
S J Putz	10/01/2013	05/10/2015
P J Rowson	01/06/2013	07/11/2014
S A Mason	23/10/2013	-
M Earl	07/11/2014	05/10/2015

### **SECRETARY**

Chipchase Manners Nominees Limited  
384 Linthorpe Road  
Middlesbrough  
TS5 6HA

### **REGISTERED OFFICE**

Redcar Bulk Terminal Limited  
Lackenby Main Office  
Lackenby Works  
Middlesbrough  
TS6 7RP

### **AUDITOR**

KPMG LLP  
One Sovereign Square,  
Sovereign Street,  
Leeds  
LS1 4DA

# **REDCAR BULK TERMINAL LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2014**

### **STRATEGIC REPORT**

#### **PRINCIPAL ACTIVITIES**

The principal activities of Redcar Bulk Terminal Limited was to provide Sahaviriya Steel Industries UK Limited (SSI) and Tata Steel UK Limited with port operations facilities

The company was a joint venture between Tata Steel UK Limited and SSI

The profit and loss account is set out on page 8 and the directors' consider the result for the year ended 31 December 2014 and the financial position at the balance sheet date to be satisfactory

#### **BUSINESS MODEL**

The company operates an ore terminal and port services business in the North East of England. The company continues to capitalise on its deep water berth and bulk handling facilities by offering a competitive and cost effective service to new and existing customers

#### **BUSINESS REVIEW AND RESULTS**

The Directors can report that Redcar Bulk Terminal Limited achieved a profit before tax of £8,913,000 (2013 £9,780,000) a slight reduction on the previous year. This was due to a reduced level of tonnes handled for third Party customers with 2.65m tonnes handled in 2014 compared to 3.155m tonnes handled in 2013. Imports of Coking coal and Iron Ore for one of its shareholders SSI were marginally up on the previous year with 8.137m tonnes handled in 2014 (2013 7.941m)

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

The key business risks and uncertainties affecting the company relate to the predictability of the usage of the Redcar Bulk Terminal by the two joint venture partners, which is in turn linked to Global, economic and steel market conditions. A port services agreement is in place between the company and its two joint venture partners / shareholders whereby they guarantee to cover the fixed costs of the business

In October 2015 following the sharp fall in world steel prices SSI one of Redcar Bulk Terminal's Joint Shareholders went into liquidation. Following the liquidation of SSI Redcar Bulk Terminal Limited was presented with a number of challenges not least the loss of 8.1 million tonnes of annual throughput. The board and management of Redcar Bulk Terminal Limited took immediate steps to significantly reduce costs in order for the business to remain cash positive. Management plan to reduce costs by c. £8million per annum from £18.6 million in 2014 and have embarked upon a strategy to proactively market the port and its facilities to prospective users opening it up to a wide variety of alternative bulk cargoes and reduce the reliance on handling raw materials solely associated with steel making or power generation. In addition the business was able to take advantage of the short term opportunities in re-exporting a significant quantity of raw materials left on site following the liquidation of SSI and by doing so was able to maintain its income streams in the short term. Tata Steel continue to support the business during this period of transition by honouring their obligations under the shareholders agreement, however it is recognised that the fundamental changes the business is currently undergoing will ultimately rely on attracting new business from the significant interest expressed by potential customers in using Redcar port and its facilities

The directors will continue to examine all options to maximise new and alternative business for Redcar Bulk Terminal despite the current uncertainty over the use of Coal to generate electricity. Current UK / EU policy, the escalating carbon price floor and the Industrial Emissions Directive requires existing coal fired power generators to reduce emissions or cease operating. This has resulted in the announced closures of both "Eggborough" and "Ferry Bridge" Power Stations, both of which are scheduled to close in the spring of 2016. "Drax Power" however has invested heavily in Biomass technology thus reducing its reliance on coal to generate electricity. The closure of "Eggborough" and "Ferry Bridge" coupled with the partial conversion of "Drax" from Coal to Biomass has resulted in a sharp fall in coal imports into the UK. Redcar Bulk Terminal will continue to capitalise on its deep water berth and bulk handling facilities by offering a competitive and cost effective service to new customers whilst maintaining a close working relationship with current users of the River Tees and coal traders as it strives to develop a broader customer base

## REDCAR BULK TERMINAL LIMITED

### REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2014

### STRATEGIC REPORT (CONTINUED)

#### KEY PERFORMANCE INDICATORS

	2014	2013
	£'000	£'000
Turnover	27,552	28,739
Profit before tax	8,913	9,780

The profit for the year, after taxation, amounted to £7,889,000 (2013 £8,633,000) Dividends of £15,181,000 have been paid during the year

#### FUTURE DEVELOPMENTS

The directors continue to authorise investment and upgrade of the existing plant and equipment to maximise efficiency and improve the asset base

Approved by the Board of Directors  
and signed on behalf of the Board

J Bolton  
Director



S Mason  
Director



10 December 2015

## REDCAR BULK TERMINAL LIMITED

### DIRECTORS' REPORT

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

#### GOING CONCERN

As set out in the Strategic Report the Liquidation of SSI UK Limited presented the business with the challenge to reduce costs significantly whilst proactively marketing the port. The directors have reviewed the financial condition of the company and the Business Plan in place for 2016 and have considered the uncertainties arising in this from the liquidation of SSI UK and the consequent impact of this upon the trading and finances of the company. For the reasons discussed in note 1, the directors continue to adopt the going concern basis in preparing these financial statements

#### DIRECTORS

The directors who served during the period were as follows

	Appointment date	Resignation date
J M Bolton	24/03/2011	-
D Nicol	24/03/2011	-
C J Louwrens	21/10/2011	05/10/2015
S J Putz	10/01/2013	05/10/2015
P J Rowson	01/06/2013	07/11/2014
S A Mason	23/10/2013	-
M Earl	07/11/2014	05/10/2015

#### DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this directors report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information

#### AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

Approved by the Board of Directors  
and signed on behalf of the Board



S Mason  
Director

10 December 2015

## **REDCAR BULK TERMINAL LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law with (UK Generally Accepted Accounting Practice)

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 judgments 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, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG LLP  
One Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

## **Independent auditor's report to the members of Redcar Bulk Terminal Limited**

We have audited the financial statements of Redcar Bulk Terminal Limited for the year ended 31 December 2014 set out on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely on the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion 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 UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of Matter – Going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern, which is dependent on the company securing, within the next three months, third party revenues sufficient to replace the loss of revenue following the liquidation in October 2015 of the company's principal customer and 50% shareholder. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

### **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.



## **Independent auditor's report to the members of Redcar Bulk Terminal Limited (continued)**

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

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

**Adrian Stone (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
One Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

10 December 2015

# REDCAR BULK TERMINAL LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 December 2014

		Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
	Note		
<b>TURNOVER</b>		<b>27,552</b>	<b>28,739</b>
External charges		(6,353)	(6,016)
Staff costs	2	(4,458)	(4,246)
Depreciation and amortisation	3	(2,201)	(2,180)
Other operating charges		(5,643)	(6,486)
<b>Operating profit</b>		<b>8,897</b>	<b>9,811</b>
Interest payable	4	-	(36)
Interest receivable and similar income		16	5
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>8,913</b>	<b>9,780</b>
Tax on profit on ordinary activities (Provisional)	5	(1,024)	(1,147)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	13	<b>7,889</b>	<b>8,633</b>

All items dealt with in arriving at profit on ordinary activities relate to continuing activities

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

# REDCAR BULK TERMINAL LIMITED

## BALANCE SHEET As at 31 December 2014

	Note	2014 £'000	2013 £'000
<b>FIXED ASSETS</b>			
Tangible assets	6	18,788	20,724
Spares inventory	6	2,384	2,573
		<u>21,172</u>	<u>23,297</u>
<b>CURRENT ASSETS</b>			
Stock	7	51	65
Debtors	8	6,153	13,925
Cash at bank and in hand		<u>4,919</u>	<u>5,755</u>
		11,123	19,745
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(4,211)</u>	<u>(7,650)</u>
<b>NET CURRENT ASSETS</b>		<u>6,912</u>	<u>12,095</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		28,084	35,392
Provisions for liabilities	10	<u>(142)</u>	<u>(158)</u>
<b>NET ASSETS</b>		<u>27,942</u>	<u>35,234</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	26,503	26,503
Profit and loss account	12	<u>1,439</u>	<u>8,731</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	13	<u>27,942</u>	<u>35,234</u>

The financial statements of Redcar Bulk Terminal Limited, registered number 07402297, were approved by the board of directors and authorised for issue on 10 December 2015

Signed on behalf of the Board of Directors

J Bolton  
Director



S Mason  
Director



The accompanying notes are an integral part of this balance sheet

# **REDCAR BULK TERMINAL LIMITED**

## **CASH FLOW STATEMENT**

**For the year ended 31 December 2014**

	<b>Note</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Net cash inflow from operating activities</b>	<b>14</b>	<b>17,808</b>	<b>7,573</b>
Interest received		16	5
Interest paid		-	(293)
Dividends Paid		(15,181)	-
Corporation tax paid		(1,830)	(115)
<b>Investing</b>			
Purchase of fixed assets		(1,649)	(1,271)
<b>Financing</b>			
Inter-company loan repaid		-	(3,326)
<b>Movement in cash in the year</b>		<b>(836)</b>	<b>2,573</b>
Cash and cash equivalents at beginning of year		5,755	3,182
Cash and cash equivalents at end of the year		4,919	5,755
<b>Net cash (outflow)/inflow</b>		<b>(836)</b>	<b>2,573</b>

## REDCAR BULK TERMINAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

#### 1. ACCOUNTING POLICIES

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the United Kingdom Companies Act 2006 and applicable accounting standards. The principal accounting policies of the company, which have been applied consistently throughout the year, are set out below.

##### Going concern

As set out in the Strategic Report the Liquidation of the company's 50% shareholder and principal customer, SSI, in October 2015 presented the business with the challenge of reducing costs significantly whilst proactively marketing the port. Without new business to replace the loss of the SSI revenues the company will be unable to continue as a going concern, a matter that is made more challenging by the reduction in the levels of coal imports as discussed in the Strategic Report and the consequential need for the company to provide alternative services. The directors have reviewed the financial condition of the company and the Business Plan in place for 2016 and have considered the uncertainties arising from the liquidation of SSI and the consequent impact of this upon the trading and finances of the company. The Directors are engaged in active discussions with a number of third parties to secure sufficient custom to allow the company to continue as a going concern and have implemented a cost cutting plan to reduce the cost base of the company. Based on the progress of these discussions and the cost cutting measures implemented to date the directors believe that there is a realistic prospect that the outcome of these matters will be positive and have consequently continued to adopt the going concern basis in preparing these financial statements.

However, there can be no certainty in relation to these matters, in particular obtaining sufficient third party trade to replace the lost SSI revenues net of cost reduction actions taken, which will be necessary within the next three months in order to be able to continue to meet the company's liabilities as they fall due. In addition, there can be no certainty as to the actions of any future shareholder that may acquire SSI's interest in the company. As a result, this material uncertainty may cast significant doubt on the company's ability to continue as a going concern. The company may, therefore, be unable to continue realising its assets and discharging its liabilities in the normal course of business but the financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

##### Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost less residual value of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. Provision is made for any impairment. The expected useful economic lives are:

Land and buildings	25 years
Plant and machinery	10 years

Spares are valued at cost less obsolescence provisions made for Spares on the following basis:

No issues for two years	25% minimum
No issues for three years	50% minimum
No issues for four years	75% minimum
No issues for five years or more	100%

##### Turnover

Turnover, which excludes value added tax, represents the value of services supplied. Turnover from the supply of services represent value of service provide under contract.

##### Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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 that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

## REDCAR BULK TERMINAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

A net deferred tax asset is regarded 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 from which the future reversal of the underlying timing differences can be deducted

#### 1. ACCOUNTING POLICIES (CONTINUED)

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

##### Pensions

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable and the contributions actually paid are shown as either accruals or prepayments in the balance sheet

##### Dividends

Dividends are recognised in accordance with FRS 21 'Events after the balance sheet date'

##### Turnover

Turnover, which relates to the company's principal activity originates entirely in the UK

#### 2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The average monthly number of persons employed by the company during the period was

	2014 £000	2013 £000
<b>Staff costs</b>		
Wages and salaries	3,816	3,657
Social security costs	399	379
Pension costs	243	210
	<u>4,458</u>	<u>4,246</u>
	2014 £000	2013 £000
Management	4	4
Operations	36	36
Engineering	54	52
	<u>94</u>	<u>92</u>

None of the directors received any remuneration for their services to the company during the period

C J Louwrens, S Putz, P Rowson and M Earl were remunerated as employees of SSI and received no remuneration from that company for acting as directors of Redcar Bulk Terminal Limited

J M Bolton, D Nicol and S Mason were remunerated as employees of Tata Steel UK Limited and received no remuneration from that company for acting as directors of Redcar Bulk Terminal Limited

## REDCAR BULK TERMINAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

#### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is after charging

	2014 £000	2013 £000
Depreciation of owned tangible fixed assets	<u>2,201</u>	<u>2,180</u>

The services provided by the company's auditor were

	2014 £000	2013 £000
Audit of these financial statements	11	11
Other services related to taxation	<u>10</u>	<u>2</u>
	<u>21</u>	<u>13</u>

#### 4. INTEREST PAYABLE

	2014 £000	2013 £000
Interest payable on inter-company loan	-	(32)
Interest On VAT payment	<u>-</u>	<u>(4)</u>
	<u>-</u>	<u>(36)</u>

#### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £000	2013 £000
The tax charge comprises		
UK corporation tax	1,040	1,257
Adjustments in respect of prior years	<u>-</u>	<u>(11)</u>
	1,040	1,246
Deferred tax	<u>(16)</u>	<u>(99)</u>
Tax on profit on ordinary activities	<u>1,024</u>	<u>1,147</u>

# REDCAR BULK TERMINAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The current tax charge is lower than the standard rate of corporation tax in the UK (21.49%) The differences are explained below

	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Profit on ordinary activities before tax	8,913	9,780
Current tax at 2014 – 21.49% (2013: 23%)	1,915	2,274
<i>Effects of</i>		
Expenses not deductible for tax purposes	86	154
Group Relief (50%)	(1,039)	(1,257)
Adjustments in respect of previous periods		(11)
Capital Allowances in excess of depreciation	16	86
Fixed Asset Differences	62	-
<b>Total current tax charge</b>	<b>1,040</b>	<b>1,246</b>

### 6. TANGIBLE FIXED ASSETS

	Spares Inventory £'000	Land and buildings £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>				
At beginning of year	3,230	8,062	18,659	29,951
Additions	1,384	-	265	1,649
Disposals	(1,176)	-	-	(1,176)
<b>At 31 December 2014</b>	<b>3,438</b>	<b>8,062</b>	<b>18,924</b>	<b>30,424</b>
<b>Accumulated depreciation</b>				
At beginning of year	657	873	5,124	6,654
Impairment	397	-	-	397
Charge for period	-	319	1,882	2,201
<b>At 31 December 2014</b>	<b>1,054</b>	<b>1,192</b>	<b>7,006</b>	<b>9,252</b>
<b>Net book amount</b>				
<b>At 31 December 2014</b>	<b>2,384</b>	<b>6,870</b>	<b>11,918</b>	<b>21,172</b>
<b>At 31 December 2013</b>	<b>2,573</b>	<b>7,189</b>	<b>13,535</b>	<b>23,297</b>

Impairments in the year relate to obsolescence provisions against spares in line with the accounting policy disclosed in Note 1



# **REDCAR BULK TERMINAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **Year ended 31 December 2014**

### **7. STOCKS**

	2014 £'000	2013 £'000
Stores inventory	<u>51</u>	<u>65</u>

There is no material difference between the balance sheet value of stock and their replacement cost

### **8. DEBTORS - RECEIVABLES**

	2014 £'000	2013 £'000
Amounts owed by Tata Steel UK Limited for trade sales	216	115
Amounts owed by SSI	4,876	11,171
Amounts owed by Third Parties	857	2,515
VAT to be settled	143	92
Prepayments	61	32
	<u>6,153</u>	<u>13,925</u>

### **9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £'000	2013 £'000
Trade creditors	1,369	1,599
Corporation tax	456	1,246
Other amounts owed to SSI	937	2,082
Other amounts owed to Tata Steel UK Limited	102	99
Payroll Provisions	441	467
Other creditors and accruals	906	2,157
	<u>4,211</u>	<u>7,650</u>

# **REDCAR BULK TERMINAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **Year ended 31 December 2014**

### **10. DEFERRED TAXATION**

	2014 £'000	2013 £'000
<i>At beginning of year</i>	158	257
Charge for the period	(16)	(99)
<i>At end of year</i>	<u>142</u>	<u>158</u>

The elements of deferred taxation are as follows

	2014 £'000	2013 £'000
Difference between capital allowances and depreciation	<u>142</u>	<u>158</u>

### **11 CALLED UP SHARE CAPITAL**

	2014 £'000	2013 £'000
Authorised, allotted, called up and fully paid		
13,251,358 'A' ordinary shares of £1 each	13,251	13,251
13,251,358 'B' ordinary shares of £1 each	13,251	13,251
1 £1 voting share allocated to Tata Steel UK Limited	-	-
1 £1 voting share allocated to SSI	-	-
	<u>26,503</u>	<u>26,503</u>

The 'A' ordinary shares and 'B' ordinary shares rank pari passu in all respects except as regards to election or removal of directors, each share is entitled to dividend payments or any other distribution. The voting shares allocated to Tata Steel UK Limited and SSI give them voting rights within the company.

### **12. RESERVES**

	Profit and loss account £'000
At beginning of year	8,731
Profit for the year	7,889
Dividends	(15,181)
At 31 December 2014	<u>1,439</u>

## REDCAR BULK TERMINAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

#### 13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
Profit for the year	7,889	8,633
Dividends	(15,181)	-
Net (decrease)/increase to shareholders' funds	(7,292)	8,633
Opening shareholders' funds	35,234	26,601
Closing shareholders' funds	27,942	35,234

#### 14. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2014 £'000	2013 £'000
Operating Profit	8,897	9,811
Depreciation and amortisation	2,201	2,180
Impairment of spares stock	397	657
Usage of spare parts	1,176	1,134
Decrease/(Increase) in stocks	14	(31)
Decrease/(Increase) in debtors	7,772	(5,745)
(Decrease)/Increase in creditors	(2,649)	(433)
	17,808	7,573

#### 15. PENSIONS

The company participates in a defined contribution pension scheme. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounts to £243,000 (2013: £210,000).

## REDCAR BULK TERMINAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

#### 16. RELATED PARTY TRANSACTIONS

Tata Steel UK Limited and SSI, both of which are incorporated in the United Kingdom, jointly control the company

Tata Steel UK Limited provides the company with accounting services. The company provides Tata Steel UK Limited with bulk material handling services and with hire services.

SSI provides the company with infrastructure services. The company provides SSI with bulk material handling services and with stores and miscellaneous services.

Transactions in the 12 months ending 31 December 2014 were:

	2014 £'000	2013 £'000
<i>Purchases from Related Parties</i>		
Tata Steel UK Limited for accounting, telephone & Procurement services	196	249
SSI for the provision of infrastructure services	4,893	4,707
Interest accrual on loans from SSI and Tata Steel UK Limited	-	32
<i>Sales to Related Parties</i>		
Tata Steel UK Limited for bulk handling services	155	349
Tata Steel UK Limited for extra hire charges	568	329
SSI for bulk handling services	14,185	11,886
SSI for Stores and miscellaneous services	-	3

There were no other related party transactions.

The balances outstanding at the year end are shown in notes 8 and 9.

#### 17. POST BALANCE SHEET EVENT

As set out in Note 1 the company's 50% shareholder and principle customer, SSI went into liquidation on 2<sup>nd</sup> October 2015. Amounts owing from SSI at this date have been treated as a bad debt and will be reflected in the 2015 accounts.