



REDCAR BULK TERMINAL LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2021



REDCAR BULK TERMINAL LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

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REDCAR BULK TERMINAL LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

N Smail	Resigned 7 th July 2022
S Cork	Resigned 7 th July 2022
W Viriyaprapaikit	Appointed 7 th July 2022
N Chotnuchittakul	Appointed 7 th July 2022
J Chotinuchit	Appointed 7 th July 2022
P Rowson	Appointed 7 th July 2022

REGISTERED OFFICE

Redcar Bulk Terminal Limited
Time Central
32 Gallowgate
Newcastle Upon Tyne
Tyne and Wear
NE1 4BF

AUDITOR

RSM UK Audit LLP
1 St James Gate
Newcastle Upon Tyne
NE1 4AD

REDCAR BULK TERMINAL LIMITED

STRATEGIC REPORT

For the year ended 31 December 2021

PRINCIPAL ACTIVITIES

The principal activities of Redcar Bulk Terminal Limited ('RBT', 'the company') are to provide port users with a deep water terminal to handle a variety of bulk products including coal, coke, petroleum coke, granulated blast furnace slags, aggregates and scrap. The terminal is also ideally located to handle large off-shore wind projects.

In February 2020, Neil Smail and Stephen Cork acting in their capacities as receivers of the shares held by Sahaviriya Steel Industries UK Limited (In Liquidation) (SSI UK) in RBT exercised pre-emption rights over the shares in RBT held by British Steel Limited (In Liquidation), the 100% shareholding in RBT as such being in the control of the receivers on behalf of secured lenders to SSI UK, being a consortium of Thai Banks. The day to day control of the business lay with its directors.

On 7th July 2022 the entire share capital of RBT was transferred by the receivers controlling the shares on behalf of SSI UK to Helium Miracle 303 Limited, an indirect, wholly-owned subsidiary of Sahaviriya Steel Industries PCL.

BUSINESS MODEL

RBT operates a bulk handling terminal on the South Bank of the River Tees on the North East Coast of the UK. The terminal which is the deepest on the East Coast operates a 320 metre long quay which can accommodate fully laden Cape Size vessels with drafts up to 17 metres. The quay is equipped with rail mounted Ship Unloaders which have a capability of loading/unloading free flowing bulk materials at up to 20,000Mt per day. Materials are discharged direct to conveyors into a large open storage yard which extends to some 320 acres and is HMRC approved for the temporary storage of imported goods. The terminal enjoys direct rail access to the National Rail network and has built in facilities to both load and off load rail wagons along with excellent road links to the A19 and A1(M).

The company provides a range of port related services and 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 whilst maintaining a working relationship with key stakeholders including the Tees Valley Combined Authority ("TVCA"), the Statutory Harbour Authority and Teesworks Ltd (the South Tees Development Corporation's development vehicle). Due to the government freeport initiative RBT has been included within the TVCA's successful "Freeport" bid.

BUSINESS REVIEW AND RESULTS

The Statement of Comprehensive Income is set out on page 10 and the directors consider, given the challenges faced following the closure of the Redcar steelworks, the liquidation of British Steel in May 2019, the ongoing Covid pandemic and in view of the continued steps taken to attract and acquire new business, the result for the period ended 31 December 2021 and the financial position at the balance sheet date to be satisfactory

The directors can report the result for RBT for the period was a loss before tax of £1,256,000 (2020: £3,201,000), net assets at the period end were £24,852,000 (2020: £3,720,000). A revaluation of freehold land was carried out as at 31 December 2021 from its historical cost value to £27,500,000 (note 9) by Dalton Warner Davis LLP, Chartered Surveyors, on an existing use open market value basis. After allowing for deferred taxation of £6,838,000 (note 15) the increase to net assets amounted to £20,538,000.

The business continued to face significant challenges which included the impact of the Covid-19 pandemic, the consequences of the liquidation of British Steel and the change of shareholding in the prior period. As a result, the company undertook a restructuring exercise in December 2020 to significantly reduce its fixed cost base.

The directors regard turnover, EBITDA and profit/loss before tax as the key performance indicators. RBT defines EBITDA as the net operating profit before impairment of fixed assets, depreciation, amortisation and exceptional items. Exceptional items are items relating to one-off events that are unlikely to occur again in the near future. The directors believe EBITDA as an alternative performance measure provides additional useful information on the underlying trends, performance and position of RBT. A reconciliation between EBITDA and operating profit is shown in the RBT's statement of comprehensive income on page 10.

REDCAR BULK TERMINAL LIMITED

STRATEGIC REPORT

For the year ended 31 December 2021

BUSINESS REVIEW AND RESULTS (continued)

The bulk terminal was initially formed to handle material for both the Teesside and Scunthorpe steelworks, importing iron ore and coal. In recent years, RBT has developed into an independent port, handling and storing a wide range of bulk cargoes for a number of new customers. Redcar is ideally located for North Sea wind projects and meets the full criteria for staging plus two as listed in the strategic review of UK East Coast Staging and Construction. RBT has a healthy business pipeline and in July 2018 signed a long-term materials handling agreement with Anglo American Woodsmith (formerly Sirius Minerals) to eventually handle up to 10 million tonnes of POLY4 exports per annum and has also signed a number of land option agreements on previously unused land areas of its site for development including an Energy from Waste Plant which will increase through-put over the wharf and provide regular income on rents in the years to come.

The business is also developing close working relationships with numerous local authorities and businesses to collaborate on commercial projects to maximise the future development of the whole of the South Tees International site to create jobs and investment.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors with the assistance of management will continue to examine all options to maximise new business opportunities for RBT. However the management of the business and the execution of the company's strategy are subject to a number of risks associated with the current economic environment, the change of ownership and the impact of the global pandemic.

Although the business saw a reduction in volumes during 2020/21, mainly as a result of the on-going pandemic, volumes have steadily increased as restrictions have eased, assisted by a short term resurgence in coal imports in latter part of 2022. From the number of existing contracts, the anticipated future investment as a result of the recent change of shareholding and the significant interest being expressed by potential new customers in using Redcar deep-water port and its facilities, the directors and management team remain confident that terminal through-put will continue to grow.

The business continues to meet its short-term obligations. Notwithstanding this, the directors are mindful that the macro-economic uncertainty continues to be a factor impacting the business' short term growth and ability to move the business from recent losses to profitability. The business has been supported through 2021 by way of a working capital facility from Sahaviriya Steel Industries PCL ("SSI PCL") (the previous, ultimate parent of SSI UK) and a £50,000 bounce back loan, interest free for 12 months. The business with the support of SSI PCL undertook a restructuring exercise to reduce fixed employment costs by over twenty percent (20%). Such support was provided by way of loan of £740,000 secured against fixed income. The current economic situation, including the significant rise in energy costs and the impact on the business is constantly being reviewed by the directors. The company continues to develop new business and following the recent successful Teesside freeport bid has seen an increase in land availability enquiries. In Q4 2021 the directors engaged a quay survey which they see as being the first steps in the future redevelopment of RBT. Given the uncertainty over the current economic environment and the ongoing and future working capital needs, the directors acknowledge the existence of a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. See the Directors' Report and note 1 for further details.

REDCAR BULK TERMINAL LIMITED

STRATEGIC REPORT

For the year ended 31 December 2021

KEY PERFORMANCE INDICATORS

	Year ended 31 December 2021 £'000	Period ended 31 December 2020 £'000
Turnover	6,978	4,603
EBITDA (excluding restructuring costs)	(183)	(1,137)
Operating Loss	(1,023)	(3,071)
Loss before tax	(1,256)	(3,201)

The profit/(loss) for the period, after taxation, amounted to £594,000 (2020: loss of £3,194,000).

FUTURE DEVELOPMENTS

The directors continue to be mindful of the requirement for investment and upgrade of the existing plant and equipment to maximise efficiency and improve the asset base. Given the recent announcement of the successful TVCA Freeport bid it is hoped this will lead to further investment and opportunities within the local area.

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



Peter Rowson

Director

Date: 22/12/22

REDCAR BULK TERMINAL LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the period ended 31 December 2021. Items required to be disclosed under Schedule 7 Companies Act 2016 have been excluded from the Directors' Report. They are set out in the Strategic Report included on page 2 in accordance with s414C(II) Companies Act 2006.

GOING CONCERN

Further to the comments made in the Strategic Report, the uncertainty over the current economic environment, the ongoing and future working capital needs of the company, the directors acknowledge the existence of a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. These financial statements do not include the adjustments that would result if the company was unable to continue as a going concern. See note 1 for further detail.

Notwithstanding this, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the directors continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

DIRECTORS

The directors who served during the period and at the date of this report were as follows:

N Smail	Resigned 7 th July 2022
S Cork	Resigned 7 th July 2022
W Viriyaprapaikit	Appointed 7 th July 2022
N Chotnuchittakul	Appointed 7 th July 2022
J Chotinuchit	Appointed 7 th July 2022
P Rowson	Appointed 7 th July 2022

DIVIDENDS

There has been no interim dividend paid or declared in the period and the directors do not propose a final dividend (2020: £nil).

FINANCIAL RISK MANAGEMENT

The company finances its operations through the generation of cash from operating activities and has limited interest rate exposure on financial liabilities. Liquidity risk is managed through forecasting the future cash flow requirements of the business and maintaining sufficient cash at bank balances. Other financial risks are not considered to have a material impact on the assessment of the company's assets, liabilities, financial position or result for the period.

DISCLOSURE OF INFORMATION TO AUDITOR

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.

POST BALANCE SHEET EVENTS

On 7th July 2022 the entire share capital of RBT was transferred by the receivers controlling the shares on behalf of SSI UK to Helium Miracle 303 Limited, an indirect, wholly-owned subsidiary of Sahaviriya Steel Industries PCL.

AUDITOR

Pursuant to section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

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

Director
Peter Rowson
Date:
22/12/22

REDCAR BULK TERMINAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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; 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.

REDCAR BULK TERMINAL LIMITED

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

Opinion

We have audited the financial statements of Redcar Bulk Terminal Limited (the 'company') for the year ended 31 December 2021 which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates the uncertainty over the current economic environment, the ongoing and future working capital needs of the company, and the uncertainty of the willingness and ability for further funding to be provided by SSI PCL, given their financial statements also contain an emphasis of matter in respect of a material uncertainty relating to going concern. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

REDCAR BULK TERMINAL LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

REDCAR BULK TERMINAL LIMITED

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and compliance with the Companies Act 2006 and Tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures and board meeting minutes, inquiries with directors and those charged with governance.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to environmental and health and safety legislation. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with the regulators where relevant as well reviewed latest registration status on the Health and Safety Executive website.

The audit engagement team identified the risk of management override of controls and revenue recognition around the year end as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in relation to the risk of management override of internal controls included but were not limited to testing journal entries and other adjustments made and evaluating the business rationale in relation to significant transactions that are unusual or outside the normal course of business. Audit procedures performed in relation to the cut off risk of revenue recognition included testing revenue transactions around the year end to assess if they were recognised in the correct period.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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

Rachel Fleming

RACHEL FLEMING (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

1 St James Gate
Newcastle Upon Tyne
NE1 4AD

Date 22/12/22

REDCAR BULK TERMINAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

		Year ended 31 December 2021 £'000	9 months ended 31 December 2020 £'000
	Note		
TURNOVER	2	6,978	4,603
External charges		(2,039)	(1,897)
Staff costs	4	(3,395)	(3,242)
Depreciation and loss on disposal of fixed assets	6	(840)	(1,556)
Other operating charges		(1,940)	(1,232)
Other operating income	5	213	253
Operating loss		(1,023)	(3,071)
EBITDA		(183)	(1,137)
Restructuring Costs – Redundancy		(-)	(395)
Depreciation and impairment		(840)	(1,539)
Operating loss		(1,023)	(3,071)
Interest receivable and similar income	7	-	-
Interest payable and similar charges	7	(233)	(130)
Net interest expense	7	(233)	(130)
LOSS BEFORE TAXATION		(1,256)	(3,201)
Tax on loss	8	1,850	7
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		594	(3,194)
OTHER COMPREHENSIVE INCOME			
Revaluation of land and buildings		27,376	-
Tax relating to components of other comprehensive income	8	(6,838)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		21,132	(3,194)

All items dealt with in arriving at loss relate to continuing activities.

The accompanying notes form part of the financial statements.

REDCAR BULK TERMINAL LIMITED

BALANCE SHEET

As at 31 December 2021

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible assets	9	33,521	6,446
Spares inventory	9	1,503	1,526
		<u>35,024</u>	<u>7,972</u>
CURRENT ASSETS			
Stock		150	195
Debtors	10	630	1,969
Cash at bank and in hand		240	903
		<u>1,020</u>	<u>3,067</u>
CREDITORS: amounts falling due within one year	11	<u>(4,782)</u>	<u>(4,566)</u>
NET CURRENT (LIABILITIES)		<u>(3,762)</u>	<u>(1,499)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		31,262	6,473
CREDITORS: amounts falling due after one year	12	(105)	(448)
Provisions	14	<u>(6,305)</u>	<u>(2,305)</u>
NET ASSETS		<u>24,852</u>	<u>3,720</u>
CAPITAL AND RESERVES			
Called up share capital	16	26,503	26,503
Revaluation Reserve	17	20,538	-
Profit and Loss Account	17	<u>(22,189)</u>	<u>(22,783)</u>
SHAREHOLDERS' FUNDS		<u>24,852</u>	<u>3,720</u>

The financial statements of Redcar Bulk Terminal Limited, registered number 07402297, were approved by the board of directors and authorised for issue on 22nd December 2022.

Signed on behalf of the Board of Directors



P Rowson

Director

The accompanying notes are an integral part of this balance sheet.

REDCAR BULK TERMINAL LIMITED

For the year ended 31 December 2021

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Revaluation Reserve	Profit and Loss Account	Total
	£000	£000	£000	£000
Balance at 1 January 2020	26,503	-	(19,589)	6,914
(Loss) for the year	-	-	(3,194)	(3,194)
Balance at 31 December 2020	26,503	-	(22,783)	3,720
Profit for the Year	-	-	594	594
Other comprehensive income, net of tax:-				
Revaluation of land and buildings		20,538	-	20,538
Balance at 31 December 2021	<u>26,503</u>	<u>20,538</u>	<u>(22,189)</u>	<u>24,852</u>

REDCAR BULK TERMINAL LIMITED

For the year ended 31 December 2021

STATEMENT OF CASHFLOWS

		Year ended 31 December 2021 £'000	Period ended 31 December 2020 £'000
	Note		
Net Cash flows from operating activities	18	(43)	(299)
Fixed asset disposal proceeds		29	35
Purchase of buildings and equipment		(568)	(119)
Purchase of spares stock		(170)	(48)
Net cash flows from investing activities		<u>(709)</u>	<u>(132)</u>
Cash flows from financing activities			
Loan Advances		325	1,065
Loan Repayments		(163)	-
Loan Interest Payments		(74)	(9)
Hire Purchase Advance		130	-
Hire purchase repayments		(129)	(84)
Net cash flows from financing activities		<u>89</u>	<u>972</u>
Net increase in cash and cash equivalents		<u>(663)</u>	<u>541</u>
Cash and cash equivalents at beginning of period		903	362
Cash and cash equivalents at end of the period		240	903
Net cash (outflow)/inflow		<u>(663)</u>	<u>541</u>

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. ACCOUNTING POLICIES

Redcar Bulk Terminal Limited (RBT) is a private company limited by shares and incorporated and domiciled in England and Wales in the UK. (registered office see page 1) under the Companies Act 2006.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014 under the historical cost convention, modified to include the revaluation of freehold land at fair value. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

In considering whether it is appropriate to prepare these financial statements on a going concern basis the Directors have considered the requirements of FRS 102, which states that an entity is a going concern unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. The matters that the Directors considered relevant in making this assessment are set out below.

During 2021 the company was under the control of the receivers acting in their capacity as receivers of the shares held by SSI UK in RBT on behalf of a consortium of Thai Banks. On a day to day basis the Directors (receivers) managed the business until 7th July 2022 when the entire share capital of RBT was transferred to Helium Miracle 303 Limited, an indirect, wholly-owned subsidiary of Sahaviriya Steel Industries PCL.

The business has been supported through 2021/22 by way of a working capital facility from Sahaviriya Steel Industries PCL ("SSI PCL") (the ultimate parent of SSI UK) and a £50,000 bounce back loan issued in July 2020, interest free for 12 months and repayable over 60 equal instalments commencing August 2021. During the year the working capital facility has been increased to £600,000 and a revised repayment date of 31 December 2023 was agreed subsequent to the year end. See note 11 for details.

The business with the support of SSI PCL undertook a restructuring exercise to reduce fixed employment costs by over twenty percent. The costs of this restructuring exercise were covered by a further loan from SSI PCL of £740,000 (which following repayments was £581,000 at 31 December 2021) which is secured against fixed income and was due for repayment by November 2022. Subsequent to the year end the maturity date for this loan was extended to 24 June 2023. See note 11 for details.

Subsequent to the year end an additional working capital facility was provided by Prachuap Port Company Limited (PPC), a subsidiary of SSI PCL in the amount of £700,000 which had an original repayment date of 31 December 2022. This has recently been revised to 31 December 2023.

As detailed in the Strategic Report RBT has developed a strong pipeline of new opportunities for the medium to long term. These include the additional opportunities with new strategic customers and as such it is anticipated RBT will benefit through increased volumes.

The Coronavirus pandemic and future economic uncertainty impacted on the level of revenue earned during 2021 and early 2022, with certain key customers reducing activity as a result. As a result of the geo-political environment there has been a resurgence of coal handling which has resulted in a significant increase in volumes. The Directors remain optimistic that through 2022/23 there will continue to be opportunities for further growth. However, the future impact of both the geo-political environment and macro-economic uncertainty on volumes remains uncertain. This situation is constantly being reviewed by the directors with the business following the government's strategy and guidance.

The uncertain economic environment make future working capital requirements more difficult to predict. As indicated previously SSI PCL have continued to be supportive of the business and provide funding and the directors have an expectation that this will continue. However, the quantum and timing of any additional funding requirements remains uncertain and would be subject to agreement.

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

Going Concern (continued)

After making enquiries and considering the uncertainties described above, the directors believe that it is appropriate to prepare these financial statements on a going concern basis. However, given the continuing uncertainty over the economic environment, the ongoing and future working capital needs, and the uncertainty of the willingness and ability for further funding to be provided by SSI PCL, given their financial statements also contain an emphasis of matter in respect of a material uncertainty relating to going concern, the directors acknowledge the existence of a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Interest

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest expense, excluding that related to financing the construction of qualifying property, plant and equipment, is expensed as incurred.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. 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. 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%

Revaluation of land

From 1 January 2021 freehold land whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less and subsequent accumulated impairment losses.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity, such gains and losses are recognised in profit or loss.

Turnover

Turnover, which excludes value added tax, represents the value of services supplied. Turnover is recognised when the performance obligations of the service contract has been met.

Rental income on assets leased under operating leases is recognised on a straight line basis over the lease term,

Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2021**

1. ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

For non-depreciable assets measured using the revaluation model deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Pensions

For defined contribution schemes the amount charged to the statement of income and retained earnings 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.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate.

Provisions

Provisions for dilapidations are recognised when: RBT has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase of provision due to the unwinding of the time value of money is recognised as interest expense.

Hire purchase

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and are depreciated over their useful lives.

Operating leases

Rentals payable under operating leases are charged in the statement of income and retained earnings on a straight-line basis over the period of the lease.

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

Financial assets

Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss are recognised immediately in profit or loss.

Financial liabilities and equity

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

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Change in Accounting Policy

During the year ended 31 December 2021 the Company chose to change its accounting policy in respect of the treatment of land. Previously the financial statements had accounted for on a historical cost basis. The Company has changes to a revaluation policy in respect of land for the year ended 31 December 2021. In accordance with paragraph 10.10A of FRS 102 this change has not been applied retrospectively. The change in policy is considered to provide a better reflection of the value of the land owned by the Company. See note 9 for the impact of this revaluation.

2. TURNOVER

All turnover for the financial period arises for services rendered in the United Kingdom and is split as follows:

	Year ended 31 December 2021 £000	9 month period ended 31 December 2020 £000
Operational Income	6,303	4,172
Property Income	675	431
	<u>6,978</u>	<u>4,603</u>

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of RBT's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying RBT's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Valuation of dilapidation provisions

RBT has to make an assessment as to the cost that will be incurred in order to settle any obligations regarding dilapidations over the lease of the wharf at the bulk terminal. This assessment requires management to make judgements over the condition of the leased wharf, the condition the wharf is required to be per the lease agreement, the cost of any repairs to bring the wharf to the required condition and the timing of any repairs or settlement. An appropriate discount rate also needs to be calculated to discount any provision to factor in the time value of money. See note 14 for disclosures relating to this provision.

Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of freehold land

As detailed above RBT has changed its accounting policy in respect of land during the year which has resulted in a significant increase in the carrying value of the assets held. The valuation involves significant estimation in considering the market value of the land taking into account current lease and option agreements in respect of the land as well as market conditions for relevant comparable land. The Company has utilised an external valuation expert to calculate the value of land. See note 9 for further detail. Depending on the outcome of future transactions the value of the land could materially change in the future.

Valuation of other fixed assets

RBT holds significant value in fixed assets. In preparing the financial statements an estimate is made in respect of the useful economic lives of RBT's assets to ensure that these remain appropriate. Due to the nature of these assets this involves judgement based on historic knowledge of RBT's assets and expected future plans of the business. Additionally, a review of the indicators of impairment in RBT's fixed assets is performed annually, if indications of impairment are discovered, a full impairment review by comparing the fair value of the fixed assets to their carrying value is performed. The fair value is calculated by estimating the future cash flows expected to arise within RBT and a suitable discount rate in order to calculate present value. In the event that the carrying value exceeds the fair value, an impairment charge is recorded in the statement of income and retained earnings. No impairment charge was recognised in the period ended 31 December 2021. See note 9 for the carrying amount of fixed assets.

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The total employment costs of all employees (including directors) in RBT were

	Year ended 31 December 2021 £000	9 month period ended 31 December 2020 £000
Staff costs		
Wages and salaries	2,886	2,444
Social security costs	297	228
Pension costs	212	175
Redundancy Costs	-	395
	<u>3,395</u>	<u>3,242</u>

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

Management	5	4
Operations	38	44
Engineering	28	37
Total	<u>71</u>	<u>85</u>

Directors' Remuneration

	Year ended 31 Dec 2021 £000	9mths ended 31 Dec 2020 £000
Emoluments	-	-
Company contributions to defined contribution pension scheme	-	-

The number of directors who are members of a defined contribution pension scheme is nil.

N Smail and S Cork were remunerated as Receivers on behalf of a consortium of Thai Banks and received no remuneration from that company for acting as directors of Redcar Bulk Terminal Limited.

5. OTHER OPERATING INCOME

	Year ended 31 Dec 2021 £000	9mths ended 31 Dec 2020 £000
Coronavirus Job Retention Scheme Grant	213	253

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2021

6. LOSS BEFORE TAXATION

Loss before taxation is after charging:

	Year ended 31 Dec 2021 £000	9mths ended 31 Dec 2020 £000
Depreciation of owned tangible fixed assets	830	1,539
Loss/(Profit) on sale of tangible fixed assets	10	17
Impairment of Spares Inventory	113	125
	<u> </u>	<u> </u>

The services provided by the company's auditor were:

Audit of these financial statements	20	20
Other advisory services related to taxation	4	4
	<u> </u>	<u> </u>
	24	24
	<u> </u>	<u> </u>

7. NET INTEREST EXPENSE

	Year ended 31 Dec 2021 £000	9mths ended 31 Dec 2020 £000
Interest receivable and similar income:		
Bank Interest	-	-
	<u> </u>	<u> </u>
Total interest income	-	-
	<u> </u>	<u> </u>
Interest payable and similar charges		
Hire purchase interest	3	2
Loan Interest	74	9
Unwinding of discount	156	119
	<u> </u>	<u> </u>
Total interest expense	233	130
	<u> </u>	<u> </u>
Net interest expense	233	130
	<u> </u>	<u> </u>

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2021

8. TAX ON LOSS

Total tax credit recognised in the statement of income and retained earnings

	Year ended 31 December 2020 £000	£000	9mths ended 31 Dec 2020 £000	£000
<i>Deferred tax (see note 15)</i>				
Origination and reversal of timing differences	(1,489)		(7)	
Adjustment in respect of prior periods	-		-	
Effect of tax rate on opening balance	(361)		-	
	<hr/>		<hr/>	
Total deferred tax		(1,850)		(7)
		<hr/>		<hr/>
Total tax		(1,850)		(7)
		<hr/>		<hr/>

Reconciliation of effective tax rate

	31 December 2021 £000	31 December 2020 £000
Loss for the period before tax	(1,256)	(3,201)
Tax using the UK corporation tax rate of 19%	(238)	(608)
Monvement in deferred tax not recognised	(877)	429
Non-deductible expenses	1	-
Fixed asset differences	100	172
Chargeable gains/(losses)	5,197	-
Deferred tax relating to other comprehensive income	(6,838)	-
Remeasurement of deferred tax for changes in tax rates	805	-
	<hr/>	<hr/>
Total tax credit for the period	(1,850)	(7)

Factors that may affect future, current and total tax (credit)/charge:

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 21. Deferred tax has been calculated at 25% which was the tax rate substantively enacted at 31 March 2022.

In addition to the amount charged to profit or loss, £6,838,271 (2020: £Nil) has been recognised in other comprehensive income, which comprises deferred tax of £6,838,271 (2020: £Nil) relating to the revaluation of the Companies freehold property.

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

9. TANGIBLE FIXED ASSETS

	Spares inventory £'000	Freehold Land & buildings £'000	Plant and machinery £'000	Total £'000
Cost or valuation				
At 1 January 2021	3,529	8,091	15,994	27,614
Additions	170	405	163	738
Revaluation		27,376		27,376
Disposals	(197)	-	(213)	(410)
At 31 December 2021	3,502	35,872	15,944	55,318
Accumulated depreciation				
At 1 January 2021	2,003	3,088	14,551	19,642
Disposals	(117)	-	(174)	(291)
Impairment	113	-	-	113
Depreciation charged in the year	-	324	506	830
At 31 December 2021	1,999	3,412	14,883	20,294
Net book amount				
At 31 December 2021	1,503	32,460	1,061	35,024
At 31 December 2020	1,526	5,003	1,443	7,972

Freehold Land with a carrying amount of £27,500,000 was revalued as at 31 December 2021 by Dalton Warner Davis LLP, Chartered Surveyors, on an existing use open market value basis, in accordance with the Guidance Notes of the Royal Institution of Chartered Surveyors. Dalton Warner Davis LLP are not connected with the Company. The valuation was based on recent market transactions on an arm's length basis for similar properties. If freehold land was stated on an historical cost basis rather than a fair value basis, the amounts would have been included at £123,876. (2020: £123,876).

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

10. DEBTORS - RECEIVABLES

	31 December 2021 £'000	31 December 2020 £'000
Amounts owed by third parties:		
- Trade Receivables	390	746
- Accrued Income	157	31
Deferred taxes (see note 15)	-	1,144
Prepayments	48	48
VAT Debtor	35	-
	630	1,969

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2021

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2021 £'000	31 December 2020 £'000
Trade creditors	2,368	2,246
Payroll provisions	35	206
VAT	-	169
Deferred Income	220	156
Hire purchase (note 13)	77	109
Loans – SSI PCL	1,181	645
Loans - Other	10	5
Redundancy Accrual	-	395
Other creditors and accruals	891	635
	4,782	4,566

The bounce back loan taken out in July 2020 in the amount of £50,000 is unsecured and repayable over five years in equal monthly instalments commencing August 2021. The loan is interest free for the first 12 months, thereafter interest is chargeable at a rate of 2.5% per annum.

The working capital loan from SSI PCL of £600,000 is repayable on demand and is secured on the trade debts. Subsequent to the year end the loan was extended with a revised maturity date of 31 December 2023.

The severance loan provided by SSI PCL amounting to £581,000 at 31 December 2021 and is secured on fixed income repayable over 14 equal instalments commencing June 2021. In September 2021 it was agreed to defer repayments by 4 months, extending repayments to November 2022. Subsequent to the year end the maturity date for this loan was extended further to 24 June 2023.

Interest on both the working capital and severance loan is chargeable at 1% above the average of the minimum lending rate of The Siam Commercial Bank Public Company Ltd and Krung Thai Bank Public Company Ltd, as announced by Bank of Thailand on the first date of each month.

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2021

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	31 December 2021 £'000	31 December 2020 £'000
Loans – SSI PCL	-	370
Loans - Other	36	45
Hire Purchase (due within 2-5 years) (note 13)	69	33
At end of period	<u>105</u>	<u>448</u>

13. HIRE PURCHASE CREDITORS

Finance leases are repayable as follows:

	31 December 2021 £'000	31 December 2020 £'000
Minimum lease payments		
Within one year (note 11)	77	109
In the second to fifth years inclusive (note 12)	<u>69</u>	<u>33</u>
At end of period	146	142
Less: Future finance charges	<u>(5)</u>	<u>(3)</u>
	<u>141</u>	<u>139</u>
Present value of minimum lease payments		
Within one year	75	107
In the second to fifth years inclusive	<u>66</u>	<u>32</u>
	<u>141</u>	<u>139</u>

14. PROVISIONS FOR LIABILITIES

	Deferred Taxation (note 15) £000	Dilapidation Provision £000	Total £000
Balance at 1 January 2021	-	2,305	2,305
Unwinding of discount	-	156	156
Additional provision in year	3,844	-	3,844
Balance at 31 December 2021	<u>3,844</u>	<u>2,461</u>	<u>6,305</u>

Dilapidation Provision

The provision represents dilapidation costs in relation to the wharf at the bulk terminal. The wharf lease expires in 2033 and the provision is expected to be utilised at this point (should no extension of the lease occur).

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2021

15. DEFERRED TAXATION

	31 December 2021 £'000	31 December 2020 £'000
At beginning of period	(1,144)	(1,137)
Deferred tax credited in the Statement of comprehensive income for the period	(1,850)	(7)
Deferred tax charged in the Statement of comprehensive income	6,838	-
At end of period	<u>3,844</u>	<u>(1,144)</u>
The major deferred tax liabilities and assets recognised by the company are:		
Deferred tax liabilities:		
Valuation of land and buildings	<u>6,838</u>	<u>-</u>
Deferred tax assets:		
Fixed asset timing differences	1,343	1,144
Short term timing differences	7	-
Losses and other deductions	<u>1,644</u>	<u>-</u>
At end of period	<u>2,994</u>	<u>1,144</u>

The company has not recognised the deferred tax asset in relation to losses of £489,296 (Dec 2020: £1,366,647).

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2021

16. CALLED UP SHARE CAPITAL

	31 December 2021 £'000	31 December 2020 £'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
2 £1 voting shares allocated to SSI UK	-	-
	<u>26,503</u>	<u>26,503</u>

Subject to the terms of agreements between the shareholders:

- (i) 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
- (ii) the voting shares allocated give the shareholder voting rights within the company.

On 24 February 2020, SSI UK exercised their pre-emption rights over the controlling shares in RBT held by British Steel Limited (In Liquidation) and as such secured 100% shareholding in RBT however the control of the business lay with its directors acting on behalf of a consortium of Thai Banks.

On 7th July 2022 the entire share capital of RBT was transferred by the receivers controlling the shares on behalf of SSI UK to Helium Miracle 303 Limited, an indirect, wholly-owned subsidiary of Sahaviriya Steel Industries PCL.

17. RESERVES

Reserves of the Company represent the following:

Revaluation reserve (in respect of land) (note 9)

The cumulative revaluation gains and losses in respect of land, except revaluation gains and losses recognised in profit or loss.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2021

18. RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED BY OPERATIONS

	31 December 2021 £'000	31 December 2020 £'000
Profit/(Loss) for the financial year	594	(3,194)
Depreciation	830	1,539
Loss/(Profit) on sales of fixed asset	10	17
Impairment of spares stock	113	125
Net usage of spare parts	80	31
(Decrease)/Increase in provisions	(1,694)	112
Operating cash flow before movement in working capital	(67)	(1,370)
Decrease/(Increase) in stocks	45	(32)
Decrease/(increase) in debtors	195	233
(Decrease)/Increase in creditors	(293)	859
Interest received	-	-
Interest paid	77	11
Net cash inflow from operating activities	(43)	(299)

19. RECONCILIATION OF CHANGES IN NET DEBT

	As at 1 Jan 2021 £'000	Cash Flows £'000	Non- cash movements £'000	As at 31 Dec 2021 £'000
Cost				
Cash at bank and in hand	903	(663)	-	240
Working Capital Loan	(275)	(325)	-	(600)
Bounce Back Loan	(50)	4	-	(46)
Severance Loan	(740)	159	-	(581)
Obligations under hire purchase contracts	(142)	(4)	-	(146)
	(304)	(829)		(1,133)

20. 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 £212,111 (Dec 2020: £175,177).

REDCAR BULK TERMINAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2021

21. RELATED PARTY TRANSACTIONS

SSI PCL has provided the company with a working capital loan facility and a loan to support the restructuring exercise. (see Note 11)

British Steel Limited ceased to be a related party in February 2020. British Steel Limited had provided the company with accounting, professional and IT services. The company provided British Steel Limited with bulk material handling and hire services.

Transactions in the period ending 31 December 2021 were:

	Year to 31 Dec 2021 £'000	Period to 31 Dec 2020 £'000
<i>Interest Payable to Related Parties</i>		
SSI PCL – Loan Interest	74	9

The balances outstanding at the period end are shown in notes 11 and 12.

22. OPERATING LEASE RECEIVABLE

Future minimum lease payments receivable:

	31 December 2021 £'000	31 December 2020 £'000
Less than one year	381	381
Between one and five years	2,014	1,823
More than five years	12,843	13,415
	15,238	15,619

23. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of key management personnel of the company, who are also directors, is as follows:

	31 December 2021 £'000	31 December 2020 £'000
Aggregate Compensation	-	-

24. ULTIMATE CONTROLLING PARTY

Following the liquidation of British Steel Limited on 22 May 2019, and the exercising of a right of pre-emption by SSI UK, the 100% shareholding in RBT was acquired by SSI UK acting by its receivers, Stephen Cork and Neil Smail on behalf of a consortium of Thai banks. On 7th July 2022 the entire share capital of RBT was transferred by the receivers controlling the shares on behalf of SSI UK to Helium Miracle 303 Limited, an indirect, wholly-owned subsidiary of Sahaviriya Steel Industries PCL.

The ultimate parent company is Sahaviriya Steel Industries Public Company Limited, a company incorporated in Thailand, which is currently listed on the stock exchange of Thailand, the financial statements of which are publicly available.