

Registered Number: SC192142



RAVENS CRAIG LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2015

COMPANIES HOUSE
30 SEP 2016
EDINBURGH FRONT DESK

FRIDAY



S5GLRY9E

SCT

30/09/2016

#423

COMPANIES HOUSE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2015

<u>CONTENTS</u>	<u>PAGE</u>
Directors and professional advisers	2
Directors' report	3 - 4
Statement of Directors' responsibilities	5
Independent Auditors' Report	6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 - 15

RAVENS CRAIG LIMITED

DIRECTORS AND PROFESSIONAL ADVISERS

Directors:

P Brooks
A R Pickford
D McLeod
J A McQuade
J C Morris
N W Davies
R J Evans resigned 22/02/16
M Davies
M P Nottingham appointed 22/02/16

Secretary:

Brodie's Secretarial Services Limited

Registered Office:

15 Atholl Crescent
Edinburgh
Midlothian
EH3 8HA

Registered Number:

SC192142
Scotland

Trading Address:

Cartwright Way
Forest Business Park
Bardon Hill
Leicestershire
LE67 1UB

Auditors:

Grant Thornton UK LLP
Chartered Accountants and Statutory Auditor
110 Queen Street
Glasgow
G1 3BX

DIRECTORS' REPORT

The Directors present their annual report, together with the audited financial statements for the year ended 31st December 2015.

Principal Activities

The Company's main activity during the year was land development.

Review of business

The Directors consider the period's results to be satisfactory given current trading conditions. The loss for the year amounted to £2,947k (2014: £1,003k), which was transferred to reserves.

After review of the current phase of the whole scheme and the likely sales, the joint venture partners have undertaken an impairment review. A resulting charge of £1.966m has been recognised against the value of the work in progress apportioned against this phase.

Going Concern

Funding for the company's activities is provided by way of loans from each of the joint venture partners. The nature of the joint venture agreement is such that repayment of the loans will only be made when the company has generated sufficient funds through the sale of land. The joint venture partners have considered the Company's whole-scheme forecasts and funding requirements, and the principal risks and uncertainties which may impact on the performance of the Company together with their mitigation.

After making these enquiries, the joint venture partners have a reasonable expectation that the development and disposal of all available land will generate a profit and, as a consequence, the Company will continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Directors

The Directors who served during the year were as follows:

D McLeod	J A McQuade	
P Brooks	J C Morris	
A R Pickford	R J Evans	resigned 22/02/16
M Davies	N W Davies	

None of the Directors have any beneficial interest in the company.

Supplier payment policy

The Company's policy with regard to the payment of suppliers is to advise suppliers when placing orders of the Company's payment terms, or alternatively, to agree payment terms prior to order. It is policy to pay in accordance with agreed arrangements that, within the industry, include the evaluation by surveyors of the value of work completed and retentions for remedial works.

The Company's trade creditor days for the year were 21 days (2014: 20 days) based on the ratio of the Company's trade creditors at the end of the year to the amounts invoiced during the year.

RAVENSCRAIG LIMITED

DIRECTORS' REPORT (continued)

Auditor

As auditors are now deemed, under section 487 (2) of the Companies Act 2006, to be reappointed automatically, Grant Thornton UK LLP, having expressed their willingness, will continue as our auditors.

Small Company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

ON BEHALF OF THE BOARD



M P Nottingham
Director
29 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAVENS CRAIG LIMITED

We have audited the financial statements of Ravenscraig Limited for the year ended 31 December 2015 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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

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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime
- and take advantage of the small companies regime exemption from the requirement to prepare a strategic report.

Grant Thornton UK LLP

Lorraine Macphail

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Glasgow

30 September 2016

RAVENS CRAIG LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2015

	<u>Notes</u>	<u>2015</u> <u>£000</u>	<u>2014</u> <u>£000</u>
Turnover	2	-	-
Cost of Sales		-	(1)
Exceptional cost of sales	3	(1,966)	
Total cost of sales		<u>(1,966)</u>	<u>(1)</u>
Gross profit		(1,966)	(1)
Other operating income		9	9
Other operating charges		(497)	(482)
Administration expenses		<u>(40)</u>	<u>(40)</u>
Operating loss	4	(2,494)	(514)
Net finance charge	5	<u>(453)</u>	<u>(489)</u>
Loss on ordinary activities before taxation		(2,947)	(1,003)
Taxation	6	<u>-</u>	<u>-</u>
Retained loss for the financial year		<u>(2,947)</u>	<u>(1,003)</u>

All activities relate to continuing operations.

The Company has no recognised gains and losses in either year other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

The accompanying accounting policies and notes form part of these financial statements.

RAVENS CRAIG LIMITED

BALANCE SHEET AS AT 31st DECEMBER 2015

	Notes	2015 £000	2014 £000
Tangible fixed assets	7	-	-
Current assets			
Stock and work in progress	8	40,669	42,393
Debtors:			
Amounts falling due within one year	9	17	183
Other investments	10	9,146	7,018
Bank balances and cash		<u>1,285</u>	<u>3,579</u>
		51,117	53,173
Creditors:			
Amounts falling due within one year	11	<u>(3,135)</u>	<u>(3,085)</u>
Net current assets		<u>47,982</u>	<u>50,088</u>
Total assets less current liabilities		47,982	50,088
Creditors:			
Amounts falling due after more than one year	12	(53,068)	(52,241)
Provisions for liabilities	13	(7,410)	(7,395)
Net liabilities		<u>(12,496)</u>	<u>(9,548)</u>
Capital and reserves			
Called up share capital	14	-	-
Reserves	15	<u>(12,496)</u>	<u>(9,548)</u>
Equity shareholders' deficit		<u>(12,496)</u>	<u>(9,548)</u>

These financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board on 29 September 2016 and were signed on its behalf by:



M P Nottingham



N W Davies

The Company's registration number is SC192142

The accompanying accounting policies and notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

The principle accounting policies of the Company which, have been applied consistently, with the exception of changes in accounting policy caused by the adoption of new accounting standards, are set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Turnover

Turnover is the total amount receivable by the company for development land sold excluding VAT. Income from the sale of development land is recognised when the transaction is complete.

Stocks and work in progress

Stocks, including land held for development, are valued at the lower of cost and net realisable value.

Development work in progress is valued at the lower of cost and net realisable value less progress payments received and receivable.

Depreciation

Depreciation is provided on fixed assets on the straight line basis on historical cost over their useful estimated life of 4 and 5 years.

Financial instruments

Financial liabilities and equity instruments are classified 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 the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument those financial instruments are classes as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Government grants

Government grants in respect of site development expenditure are netted off against work in progress and are credited to the profit and loss account when work in progress is released to cost of sales.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Investment accounting policy

The initial investment of the funds received as a result of the insurance claim relating to the environmental monitoring costs is done on a fair value basis and is subsequently remeasured at each balance sheet date to fair value with any gains or losses recognised in the profit and loss account.

Cashflow statement

The Directors have taken advantage of the exemption in Financial Reporting Standard Number 1 (revised 1996) from including a cash flow statement on the grounds that the Company is small.

Trade payables

Trade payables on normal interest terms are not interest bearing and are stated at their nominal value.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallize based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered, deferred tax is measured on a non - discounted basis

2. TURNOVER

	<u>2015</u> <u>£000</u>	<u>2014</u> <u>£000</u>
Serviced land sales	-	-
	<u>-</u>	<u>-</u>

3. EXCEPTIONAL ITEMS

A review of the recoverability of work in progress during phase 1 of the project has been undertaken, which has resulted in an impairment charge of £1,966,369 being recognised in the year ended 31 December 2015 which assumes a cost to complete value of £500,000.

4. OPERATING LOSS

	<u>2015</u> <u>£000</u>	<u>2014</u> <u>£000</u>
Operating loss is stated after charging:		
Auditors remuneration	14	11
Depreciation	-	4
	<u>14</u>	<u>15</u>

Remuneration of the Company's auditors during 2015 for the provision of non - audit services to the Company was £2,550 (2014: £2,350).

The Directors of the Company have not been remunerated in the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. NET FINANCE CHARGE

	<u>2015</u> <u>£000</u>	<u>2014</u> <u>£000</u>
Interest payable on loans from related parties	(522)	(528)
Interest receivable	10	21
Uplift in value of investment	59	18
	<u>(453)</u>	<u>(489)</u>

6. TAXATION

	<u>2015</u> <u>£000</u>	<u>2014</u> <u>£000</u>
Current tax		
UK Corporation Tax on profits for the period	-	-
Adjustments in respect of previous periods	-	-
	<u>-</u>	<u>-</u>
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Adjustments in respect of previous periods	-	-
	<u>-</u>	<u>-</u>
Total deferred tax	-	-
Tax on profit on ordinary activities	-	-
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(2,947)	(1,003)
	<u>(2,947)</u>	<u>(1,003)</u>
Loss on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.49%)	(199)	(215)
Losses carried forward	200	215
Depreciation in excess of capital allowances	-	-
Non-taxable income	(1)	-
	<u>-</u>	<u>-</u>
Current tax payable	-	-

The cumulative tax losses are £10,497,333 (2014: £9,508,502).

This deferred tax asset has not been recognised.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. TANGIBLE FIXED ASSETS

	<u>Vehicles Plant and Equipment</u>	<u>Total</u>
<u>Costs</u>	<u>£000</u>	<u>£000</u>
At 1st January 2015	30	30
Additions	-	-
Disposals	-	-
At 31st December 2014	<u>30</u>	<u>30</u>
Depreciation		
At 1st January 2015	30	30
Provided in the year	-	-
Disposals	-	-
At 31st December 2015	<u>30</u>	<u>30</u>
Net Book Value		
At 31st December 2015	<u>-</u>	<u>-</u>
At 31st December 2014	<u>-</u>	<u>-</u>

8. STOCKS AND WORK IN PROGRESS

	<u>2015</u>	<u>2014</u>
	<u>£000</u>	<u>£000</u>
Land	19,380	19,380
Work in progress	23,255	23,013
Impairment	(1,966)	-
	<u>40,669</u>	<u>42,393</u>

9. DEBTORS

	<u>2015</u>	<u>2014</u>
	<u>£000</u>	<u>£000</u>
Amounts falling due within one year:		
Trade debtors	-	135
Other debtors	7	40
Prepayments and accrued income	10	8
	<u>17</u>	<u>183</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. OTHER INVESTMENTS

Listed Investments	2015
	£000
At 1st January 2015	7,018
Additions during the year	2,070
Uplift in value of investment	58
At 31st December 2015	<u>9,146</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£000	£000
Trade creditors	21	27
Amounts owed to related parties	11	11
Accruals and deferred income	3,103	3,047
	<u>3,135</u>	<u>3,085</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2015	2014
	£000	£000
Amounts owed to related parties	53,068	52,241
	<u>53,068</u>	<u>52,241</u>

13. PROVISION FOR LIABILITIES

	Environmental monitoring provision £000
At 1 January 2015	7,395
Additions during the year	18
Amounts charged to the provisions in the year	(49)
Prior year cost reclassification	46
At 31 December 2015	<u>7,410</u>

The environmental monitoring provision represents the Directors' best estimate of the Company's liability in relation to the cost of maintaining groundwater monitoring on the Ravenscraig site for a period of thirty years. This estimate includes upfront design and installation costs and annual expected monitoring costs adjusted for the Directors' best estimate of inflation and risk over the thirty year timeframe. The provision is recorded at present value using a risk-free discount rate.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. CALLED UP SHARE CAPITAL

There was no change in share capital during the period

	<u>Authorised</u> <u>(£ and No.)</u>	<u>Allotted, Called Up</u> <u>and Fully Paid</u> <u>(£ and No.)</u>
As at 31st December 2015		
Ordinary shares of £1 each	<u>300</u>	<u>300</u>
As at 31st December 2014		
Ordinary shares of £1 each	<u>300</u>	<u>300</u>

15. PROFIT AND LOSS ACCOUNT RESERVE

	<u>Profit and</u> <u>Loss Account</u> <u>£000</u>
At 1st January 2015	(9,548)
Loss for year	(2,947)
At 31st December 2015	<u>(12,495)</u>

16. RELATED PARTY TRANSACTIONS

During the year, Ravenscraig Limited was advanced £78k (2013: £346k) by Wilson Bowden Limited. In addition to the advance, interest of £270k became due to Wilson Bowden Limited in the year. At the year end, the balance owing to Wilson Bowden Limited was £16,455k (2014: £16,107k). Wilson Bowden Limited is a 100% owned subsidiary of Barratt Developments plc. As such Wilson Bowden Limited is a related party of Ravenscraig Limited by virtue of Barratt Developments plc's 33.33% shareholding in the company.

The nature of the relationship between Wilson Bowden Limited and Ravenscraig Limited is one of agency whereby Wilson Bowden Limited act on behalf of Ravenscraig Limited.

During the year, Ravenscraig Limited was advanced £227k (2014: £188k) by Tata Steel UK Limited (formerly Corus UK Limited). At the year end, the balance owing to Tata Steel UK Limited was £20,187k (2014: £19,960k). Tata Steel UK Limited is a related party of Ravenscraig Limited by virtue of its 33.33% shareholding in the company.

During the year, Ravenscraig Limited was advanced £Nil (2014: £100k) by Scottish Enterprise Lanarkshire Ltd. Interest of £253k became due to Scottish Enterprise Lanarkshire Limited in the year. At the year end, the balance owing to Scottish Enterprise Lanarkshire Limited was £16,427k (2014: £16,174k). Scottish Enterprise Lanarkshire Limited is a related party of Ravenscraig Limited by virtue of its 33.33% shareholding in the company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. CONTINGENT LIABILITY

Scottish Enterprise Lanarkshire have an entitlement to recharge Ravenscraig Limited for outstanding works carried out by Scottish Enterprise on the Ravenscraig site. At the year end, the potential recharge totalled £934,108. The forecasts in place for the first phase of the development do not anticipate that the costs of these outstanding works will be recoverable in the foreseeable future, though under the terms of the Master Agreement between the parties recovery may be possible on future phases.

18. CAPITAL COMMITMENTS

At the year end, the company did not have any capital commitments.