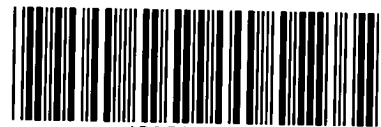


Financial Statements Ravenscraig Limited

For the Year Ended 31 December 2016

Registered number: SC192142

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Company Information

Directors	P Brooks D L Colquhoun (appointed 31 August 2016) N W Davies M Davies L Jackson (appointed 31 August 2016) D McLeod J A McQuade M P Nottingham (appointed 22 February 2016) A R Pickford R J Evans (resigned 22 February 2016) J C Morris (resigned 4 August 2016)
Company secretary	Brodies Secretarial Services Limited
Registered number	SC192142
Registered office	15 Atholl Crescent Edinburgh Midlothian EH3 8HA
Trading Address	Cartwright Way Forest Business Park Bardon Hill Leicestershire LE67 1UB
Auditor	Grant Thornton UK LLP Statutory Auditor Chartered Accountants 110 Queen Street Glasgow G1 3BX

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Directors' Report

For the Year Ended 31 December 2016

The directors present their annual report together with the audited financial statements for the year ended 31 December 2016.

Principal activity

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

Business review

The Directors consider the period's results to be satisfactory given current trading conditions. The loss for the year amounted to £1,201k (2015: £2,947k), which was transferred to reserves.

After review of the current phase of the whole scheme and the likely sales, the joint venture partners undertook an impairment review in the previous year. A resulting charge of £1.966m was recognised against the value of the work in progress apportioned against this phase in the year to 31 December 2015. No further write down has been considered necessary in the current year following a number of sales and review of the model.

Directors

The directors who served during the year were:

P Brooks
D L Colquhoun (appointed 31 August 2016)
N W Davies
M Davies
L Jackson (appointed 31 August 2016)
D McLeod
J A McQuade
M P Nottingham (appointed 22 February 2016)
A R Pickford
J C Morris (resigned 4 August 2016)
R J Evans (resigned 22 February 2016)

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

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' Report (continued)

For the Year Ended 31 December 2016

Supplier payment policy

The Company's policy with the 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, with the industry, include the evaluation by surveyors of the value of work completed and retention's for remedial works.

The Company's trade creditor days for the year were 7 days (2015: 21 days) based on the ratio of the Company's trade creditors at the end of the year to the amounts invoiced during the year.

Disclosure of information to auditor

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

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

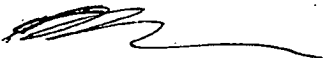
Auditor

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 provision

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

This report was approved by the board on *29 September 2017* and signed on its behalf.



M P Nottingham
Director

Directors' Responsibilities Statement

For the Year Ended 31 December 2016

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to 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.

Independent Auditor's Report to the Members of Ravenscraig Limited

We have audited the financial statements of Ravenscraig Limited for the year ended 31 December 2016, which comprise the Income statement, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 3, 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent Auditor's Report to the Members of Ravenscraig Limited (continued)

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

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 Directors' report.

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' exemption from the requirement to prepare a Strategic report.

A handwritten signature in black ink, appearing to read "Andrew Howie" followed by some initials.

Andrew Howie (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Glasgow

Date: 29 September 2017

Income Statement

For the Year Ended 31 December 2016

	Note	2016 £000	2015 £000
Turnover	4	5,177	-
Cost of sales		(5,177)	-
Exceptional cost of sales		-	(1,966)
Gross profit/(loss)		<u>-</u>	<u>(1,966)</u>
Administrative expenses		(57)	(40)
Other operating income	5	29	9
Other operating charges		(515)	(497)
Operating loss		<u>(543)</u>	<u>(2,494)</u>
Income from other fixed asset investments		54	59
Interest receivable and similar income	8	-	10
Interest payable and similar expenses	9	(528)	(522)
Loss before tax		<u>(1,017)</u>	<u>(2,947)</u>
Tax on loss	10	(184)	-
Loss for the year		<u><u>(1,201)</u></u>	<u><u>(2,947)</u></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.

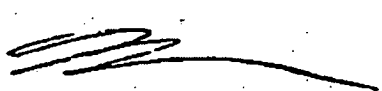
Statement of Financial Position

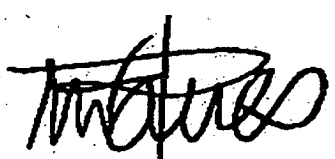
As at 31 December 2016

	Note	2016 £000	2015 £000
Current assets			
Stocks	12	35,772	40,669
Debtors: amounts falling due within one year	13	2,635	17
Current asset investments	14	9,200	9,146
Cash at bank and in hand	15	3,536	1,285
		<u>51,143</u>	<u>51,117</u>
Creditors: amounts falling due within one year	16	(1,520)	(3,135)
Net current assets		<u>49,623</u>	<u>47,982</u>
Total assets less current liabilities		<u>49,623</u>	<u>47,982</u>
Creditors: amounts falling due after more than one year	17	(41,408)	(53,068)
Provisions for liabilities			
Provisions for liabilities	19	(7,349)	(7,410)
		<u>(7,349)</u>	<u>(7,410)</u>
Net assets/(liabilities)		<u><u>866</u></u>	<u><u>(12,496)</u></u>
Capital and reserves			
Profit and loss account		866	(12,496)
Shareholder's funds / (deficit)		<u><u>866</u></u>	<u><u>(12,496)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2017.


M P Nottingham
 Director


N W Davies
 Director

The accounting policies and notes on pages 9 to 21 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called-up share capital	Profit and loss account	Total
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
At 1 January 2015	-	(9,549)	(9,549)
Loss and total comprehensive loss for the year	-	(2,947)	(2,947)
At 31 December 2015	-	(12,496)	(12,496)
Opening adjustments to financial instruments balances on transition to FRS 102 (see note 24)	-	14,563	14,563
Amended opening position at 1 January 2016	-	2,067	2,067
Loss and total comprehensive loss for the year	-	(1,201)	(1,201)
At 31 December 2016	-	866	866

The accounting policies and notes on pages 9 to 21 form part of these financial statements.

Schedule to the Detailed Accounts

For the Year Ended 31 December 2016

1. General information

Ravenscraig Limited is a private company limited by shares and registered in England and Wales. Its registered head office is located at 15 Atholl Crescent, Edinburgh, Midlothian, EH3 8HA. The nature of the company's operations and its principal activities are set out in the directors' report on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

Funding for the company's activities is provided by the way of loans from each of the joint venture partners. The nature of the joint venture 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.

Schedule to the Detailed Accounts

For the Year Ended 31 December 2016

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as 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.

2.4 Stocks

Stocks, including land held for development are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

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

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Schedule to the Detailed Accounts

For the Year Ended 31 December 2016

2.7 Financial instruments

The company enters into basic and non basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from related parties and investments.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Income statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Non basic financial instruments are initially recognised at fair value and are subsequently re-measured at their fair value at each balance sheet date. Changes in fair value are recognised in profit and loss.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Schedule to the Detailed Accounts

For the Year Ended 31 December 2016

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants in respect of site development expenditure are netted off against work in progress and are credited to the Income statement when work in progress is released to cost of sales.

2.10 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Investments

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 Income statement.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.13 Taxation

Tax is recognised in the Income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Schedule to the Detailed Accounts

For the Year Ended 31 December 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, as described in note 1, the directors and management are required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year end date, and the amounts reported for revenues and expenses during the year.

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, and in future periods should it affect future periods.

The ordinary judgements and estimates are those as detailed in Note 1.

Management consider that the following have the most significant effect on the amounts recognised in the financial statements:

- Fair value of shareholder loans- fair value review of all shareholder loans held is carried out annually with reference to the fair value of the underlying asset of total stock on which the loans have been given.
- The carrying value of the current development land balance at the lower of cost and net realisable value and consideration of any potential impairment of the site on an annual basis.

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £000	2015 £000
Serviced land sales	<u>5,177</u>	<u>-</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2016 £000	2015 £000
Rents receivable	<u>29</u>	<u>9</u>

Schedule to the Detailed Accounts

For the Year Ended 31 December 2016

6. Auditor's remuneration

	2016 £000	2015 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>13</u>	<u>14</u>
Fees payable to the company's auditor and its associates in respect of:		
All other services	<u>4</u>	<u>3</u>
	<u>4</u>	<u>3</u>

7. Employees

The average monthly number of employees, including directors, during the year was 0 (2015 - 0).

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

8. Interest receivable

	2016 £000	2015 £000
Interest receivable	-	10
	<u>-</u>	<u>10</u>

9. Interest payable and similar charges

	2016 £000	2015 £000
Interest payable on loans from related parties	528	522
	<u>528</u>	<u>522</u>

Schedule to the Detailed Accounts

For the Year Ended 31 December 2016

10. Taxation

	2016 £000	2015 £000
Corporation tax		
Current tax on loss for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	184	-
Total deferred tax	<u>184</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>184</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £000	2015 £000
Loss on ordinary activities before tax	<u>(1,017)</u>	<u>(2,947)</u>
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(203)	(597)
Effects of:		
Expenses not deductible for tax purposes	5	(1)
Deferred tax not recognised		598
Tax effect of FRS 102 adjustments	2,912	
Recognition of previously unrecognised deferred tax	(2,248)	
Rate change	(282)	
Total tax charge for the year	<u>184</u>	<u>-</u>

The cumulative tax losses are £11,996,342 (2015: £12,461,353).

Factors that may affect future tax charges

The UK Corporation tax rate of 20% took effect from 1 April 2015.

Finance Act 2016, which was enacted in September 2016 provides that the main UK rate of corporation tax for the financial year commencing 1st April 2020 will be 17%. Consequently, UK deferred tax has been provided at a rate of 17%, being the rate at which the majority of timing differences are expected to unwind.

Schedule to the Detailed Accounts

For the Year Ended 31 December 2016

11. Exceptional items

	2016 £000	2015 £000
Impairment of stock	-	1,966
	<u>-</u>	<u>1,966</u>

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.

12. Stocks

	2016 £000	2015 £000
Land	18,739	19,380
Work in progress	17,033	23,255
Impairment	-	(1,966)
	<u>35,772</u>	<u>40,669</u>

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.

13. Debtors

	2016 £000	2015 £000
Amounts falling due within one year:		
Trade debtors	1,262	-
Amounts owed by group undertakings	1,341	-
Other debtors	22	7
Prepayments and accrued income	10	10
	<u>2,635</u>	<u>17</u>

Schedule to the Detailed Accounts

For the Year Ended 31 December 2016

14. Current asset investments

	2016 £000	2015 £000
Listed investments	<u>9,200</u>	<u>9,146</u>
	2016 £000	2015 £000
Opening fair value	9,146	7,018
Purchases	-	2,070
Uplift in value of investments	54	58
	<u>9,200</u>	<u>9,146</u>

15. Cash and cash equivalents

	2016 £000	2015 £000
Cash at bank and in hand	<u>3,536</u>	<u>1,285</u>

16. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	37	21
Amounts owed to group undertakings	22	11
Deferred tax	184	-
Accruals and deferred income	1,277	3,103
	<u>1,520</u>	<u>3,135</u>

The deferred tax liability of £184,000 is made up as follows:

	2016 £000	2015 £000
Fixed asset timing differences	4	-
Trading losses	2,039	-
FRS 102 transition	(2,227)	-
	<u>(184)</u>	<u>-</u>

Schedule to the Detailed Accounts

For the Year Ended 31 December 2016

17. Creditors: Amounts falling due after more than one year

	2016	2015
	£000	£000
Balance as at 1 January	53,068	52,241
Adjustment on transition to FRS 102	(14,563)	-
Advanced in year	2,903	827
Amounts owed to group undertakings	<u>41,408</u>	<u>53,068</u>

18. Financial instruments

The company has exposure to two main areas of risk- liquidity risk and interest rate risk.

Liquidity risk

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the company has group borrowings available. Given the maturity of the shareholder loans in note 17, the company is in a position to meet its commitments and obligations as they come due.

Interest rate risk

The company borrows from its shareholders using loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rate.

	2016	2015
	£000	£000
Financial assets and liabilities		
Financial assets measured at fair value through profit or loss	<u>9,200</u>	<u>9,146</u>
Financial assets measured at amortised cost	<u>2,625</u>	<u>7</u>
Financial liabilities measured at fair value through profit or loss	<u>41,408</u>	<u>53,068</u>
Financial liabilities measured at amortised cost	<u>1,336</u>	<u>3,135</u>

The financial liabilities measured at fair value through profit or loss relate to amounts shown in note 17 being amounts owed to shareholders. These loans are not traded in active markets and repayment is based on the existence of future profits of the company to distribute back to the shareholders. The liability has been fair valued with reference to the underlying fair value of the asset on which the loans have been provided. The directors in making the fair value assessment on transition to FRS 102 have considered the fair value of the land owned by the company based on current information and future prospects. This liability will be fair valued at each balance sheet date taking into account that future changes in the fair value of the asset will impact the fair value of the loan, as the loan reflects the obligation to distribute the resulting profits.

Schedule to the Detailed Accounts

For the Year Ended 31 December 2016

19. Provisions

	Environmental monitoring provision £000
At 1 January 2016	7,410
Utilised in year	(61)
At 31 December 2016	<u>7,349</u>

The environmental monitoring provision represents the Director's 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 included upfront design and installation costs and annual expected monitoring costs adjusted for the Director's best estimate of inflation and risk over the thirty year timeframe. The provision is recorded at present value using a risk-free discount rate.

20. Share capital

	2016 £000	2015 £000
Shares classified as equity		
Allotted, called up and fully paid		
300- Ordinary shares shares of £1 each	<u>-</u>	<u>-</u>

21. Capital commitments

At the current and prior year end; the company did not have any capital commitments.

Schedule to the Detailed Accounts

For the Year Ended 31 December 2016

22. Related party transactions

During the year, Ravenscraig Limited was advanced £2,017k (2015: £78k) by Wilson Bowden Limited. In addition to the advance, interest of £288k became due to Wilson Bowden Limited in the year. At the year end, the balance owing to Wilson Bowden Limited was £18,760k (2015: £16,455k). 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 £306k (2015: £227k) by Tata Steel UK Limited (formerly Corus UK Limited). At the year-end, the balance owing to Tata Steel UK Limited was £20,493k (2015: £20,187k). 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 £50k (2015: £Nil) by Scottish Enterprise Lanarkshire Ltd. Interest of £240k became due to Scottish Enterprise Lanarkshire Limited in the year. At the year-end, the balance owing to Scottish Enterprise Lanarkshire Limited was £16,717k (2015: £16,427k). Scottish Enterprise Lanarkshire Limited is a related party of Ravenscraig Limited by virtue of its 33.33% shareholding in the company.

	2016	2015
	£000	£000
Wilson Bowden	18,760	16,455
Tata Steel UK Limited	20,493	20,187
Scottish Enterprise	16,718	16,426
Balance due as at 31 December	55,971	53,068
Fair value adjustment on transition to FRS 102	(14,563)	-
	<u>41,408</u>	<u>53,068</u>

23. 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 current and prior 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.

Schedule to the Detailed Accounts

For the Year Ended 31 December 2016

24. First time adoption of FRS 102

On transition to FRS 102 the company have taken advantage of the exemption from determining fair value for comparative periods. This exemption states that a small entity need not restate comparative information and instead continues to apply its existing accounting policies to the relevant financial instruments in the comparative period. The balance affected by this exemption is shown in note 17 and is in relation to amounts due to group undertakings. The company has continued to account for these at amortised cost under previous accounting policies.

On transition to FRS 102 in the current year the company is required to treat any adjustment between the statement of financial position at the comparative period's reporting date and the statement of financial position at the start of the first reporting period, in the current reporting period, to opening equity. In considering the transition the company has identified that the loans shown in note 17 are non basic financial instruments and as such are required to be carried at fair value. The transition to FRS 102 has therefore resulted in a prior period adjustment through opening statement of changes in equity of £14,563k as a result of this fair value exercise.

No other adjustments were noted on transition to FRS 102.