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Registered number: SC192142

RAVENSCRAIG LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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RAVENSCRAIG LIMITED

COMPANY INFORMATION

Directors	P Brooks (resigned 30 January 2020) N D Young (appointed 30 January 2020) D L Colquhoun N W Davies M J Davies L Jackson D McLeod J A McQuade A R Pickford D W Borland (appointed 1 February 2019) M P Nottingham (resigned 31 January 2019)
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
Independent 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 2019

The Directors present their annual report, together with the audited financial statements for the year ended 31st December 2019.

Principal activity

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 profit for the year amounted to £56k *(2018: loss £11k)*, which was transferred to reserves.

After a review of the first phase of the whole scheme and likely sales, an impairment review was carried out. A resulting charge in the income statement of £0.2m was recognised against the value of the work in progress apportioned against this phase in the year to 31 December 2019. A subsequent review of the repayment of shareholder loans was carried out and a resulting charge in the income statement of £0.4m was recognised against the loan creditor.

On 24 June 2019 outline planning permission was received for the new Ravenscraig masterplan, which will enable the next phase of regeneration to commence on site.

Events since the year end

Since the balance sheet date the world has suffered a COVID-19 outbreak, and volatility in the economy as a result. The directors have considered what impact this may have on the company, and although this is a developing situation, the directors feel it will have a minimal effect on the business at this moment in time. The impact is likely to only be short-term timing delays to land sales and development opportunities; Ravenscraig Limited does not have any staff, and at the time of the COVID-19 outbreak, is currently not engaged in any significant infrastructure works. The directors thus consider the company to be a going concern.

Directors

The directors who served during the year were as follows:

P Brooks
D L Colquhoun
N W Davies
M J Davies
L Jackson
D McLeod
J A McQuade
A R Pickford
D W Borland (appointed 1 February 2019)
M P Nottingham (resigned 31 January 2019)

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' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

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 14 days (2018: 38 days) based on the ratio of the company's trade creditors at the end of the year to the amounts invoiced during the year.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

This report was approved by the board on 10 September 2020 and signed on its behalf.

N W Davies
Director

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAVENSCRAIG LIMITED

Opinion

We have audited the financial statements of Ravenscraig Limited (the 'company') for the year ended 31 December 2019, which comprise the Income statement, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

GrantThornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAVENSCRAIG LIMITED (CONTINUED)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statements and our Auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAVENSCRAIG LIMITED (CONTINUED)

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

Matter 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 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; 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' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 2, 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.

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GrantThornton

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

Grant Thornton UK LLP

Lorraine Macphail
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow

10 September 2020

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INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £000	*2018* *£000*
Turnover	4	**1,000**	*3,685*
Cost of sales		**(1,000)**	*(3,685)*
Impairment of WIP	10	**(175)**	*(5,692)*
Gross loss		**(175)**	*(5,692)*
Administrative expenses		**(266)**	*(297)*
Other operating income	5	**117**	*117*
Other operating charges		**195**	*(525)*
Operating loss		**(129)**	*(6,397)*
Income from other fixed asset investments		**858**	*(235)*
Interest payable and similar expenses	8	**(317)**	*(597)*
Fair value adjustment of shareholder loan		**(415)**	*7,294*
(Loss)/profit before tax		**(3)**	*65*
Tax on (loss)/profit	9	**59**	*(76)*
Profit/(loss) for the financial year		**56**	*(11)*

All activities relate to continuing operations.

The company has no recognised gains and losses in either year other than those above.

The notes on pages 11 to 25 form part of these financial statements.

RAVENSCRAIG LIMITED
REGISTERED NUMBER:SC192142

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note		2019 £000		2018 £000
Current assets					
Stocks	10	**30,812**		*26,666*	
Debtors: amounts falling due within one year	11	**159**		*891*	
Current asset investments	12	**9,629**		*8,770*	
Cash at bank and in hand	13	**6,725**		*6,394*	
		47,325		*42,721*	
Creditors: amounts falling due within one year	14	**(5,183)**		*(822)*	
Net current assets			**42,142**		*41,899*
Total assets less current liabilities			**42,142**		*41,899*
Creditors: amounts falling due after more than one year	15		**(36,218)**		*(35,232)*
Provisions for liabilities					
Deferred tax	16	**-**		*(76)*	
Provisions for liabilities	18	**(5,944)**		*(6,667)*	
			(5,944)		*(6,743)*
Net liabilities			**(20)**		*(76)*
Capital and reserves					
Profit and loss account			**(20)**		*(76)*
			(20)		*(76)*

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 10 September 2020.

N W Davies | Donald Borland

N W Davies
Director

D W Borland
Director

The accounting policies and notes on pages 11 to 25 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Profit and loss account £000	Total equity £000
At 1 January 2018	**(65)**	**(65)**
Comprehensive income for the year		
Loss for the year	**(11)**	**(11)**
Total comprehensive income for the year	**(11)**	**(11)**
At 1 January 2019	**(76)**	**(76)**
Comprehensive income for the year		
Profit for the year	**56**	**56**
Total comprehensive income for the year	**56**	**56**
At 31 December 2019	**(20)**	**(20)**

The notes on pages 11 to 25 form part of these financial statements.

1. General information

Ravenscraig Limited is a private company limited by shares and registered in Scotland. 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 judgement 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.

On 11 March 2020, the World Health Organisation (WHO) officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. Management is closely monitoring the evolution of this pandemic, including its impact on company's ability to continue as a going concern; management currently are of the opinion that there is no impact to the company other than short term delays in progressing the development which have no significant financial impact.

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 the development land sold excluding VAT. Income from the sale of development land is recognised when the transaction is complete.

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2. Accounting policies (continued)

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 accounting date, stocks are assessed for impairment. If stock is impaired, the carrying value amount is reduced to its estimated 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.

2.7 Financial instruments

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

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 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.

2. Accounting policies (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between and 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 discounted 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 the 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, relating to shareholder loans, are initially recognised at fair value and are subsequently remeasured at their fair value at each balance sheet date. Changes in fair value are recognised in the Income Statement.

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 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.

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. Accounting policies (continued)

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 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

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

In the application of the company's accounting policies, as described in note 2, 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 judgement and estimates are those as detailed in note 2.

3. Judgements in applying accounting policies (continued)

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

- *Fair value of shareholder loans - The fair value assessment of shareholder loans is carried out* annually with reference to the net asset position of the entity.
- 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.
- The carrying value of the provision in relation to environmental remediation, held at the discounted value of the directors' future estimated cash flows until the obligations are fulfilled.

The land at the Ravenscraig site represents some 1000 acres of development land which will be developed in a number of phases. The Directors estimate that the timeframe over which the site will be fully developed is in the region of 30 years. In considering the Net realisable value of the Land, the Directors take into account the estimated selling price of the phase under current development and the current intentions in relation to the remainder of the site as set out in the Masterplan. Given the nature of this site there are inherent uncertainties surrounding what the final profitability will be but in the absence of any evidence to the contrary the Directors consider the land attributed to the remaining phases will be recovered in full.

As further detailed at note 18, the environmental monitoring provision represents the director's best estimate of costs required to disburse the obligation in relation to groundwater maintenance and monitoring. The directors continue to assess the costs required to ensure environmental obligations are met and adjust the provision accordingly.

4. Turnover

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

	2019 £000	*2018* *£000*
Serviced land sales	**1,000**	*3,685*

All turnover arose within the United Kingdom.

5. Other operating income

	2019 £000	*2018* *£000*
Rent receivable	**117**	*117*

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6. Auditor's remuneration

	2019 £000	*2018 £000*
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	**14**	*16*

Fees payable to the company's auditor and its associates in respect of:

All other services	**3**	*9*

7. Employees

The average monthly number of employees, including directors, during the year was 0 *(2018: 0)*.

The directors of the company have not been remunerated in the year.

8. Interest payable and similar expenses

	2019 £000	*2018 £000*
Interest payable on loans from related parties	**317**	*597*

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9. Taxation

	2019 £000	*2018 £000*
Corporation tax		
Current tax on loss for the year	**118**	-
Adjustments in respect of previous periods	**2**	-
	120	-
Total current tax	**120**	-
Deferred tax		
Origination and reversal of timing differences	**(105)**	*76*
Adjustments in respect of prior periods	**(74)**	-
Total deferred tax	**(179)**	*76*
Taxation on (loss)/profit on ordinary activities	**(59)**	*76*

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2018: higher than)* the standard rate of corporation tax in the UK of 19% *(2018 19%)*. The differences are explained below:

	2019 **£000**	*2018* *£000*
(Loss)/profit on ordinary activities before tax	**(3)**	*65*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% *(2018: 19%)*	**-**	*12*
Effects of:		
Expenses not deductible for tax purposes	**1**	*78*
Income not taxable for tax purposes	**-**	*(23)*
Adjustments to tax charge in respect of prior periods	**2**	*-*
Adjustments to tax in respect of prior periods - deferred tax	**(74)**	*-*
Deferred tax not recognised	**-**	*16*
Rate change	**12**	*(7)*
Total tax charge for the year	**(59)**	*76*

The cumulative tax losses carried forward are £9,327,083 *(2018: £9,727,086)*.

Factors that may affect future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020.

10. Stocks

	2019 £000	*2018* *£000*
Land	**17,010**	*17,693*
Work in progress	**19,670**	*14,665*
Impairment	**(5,868)**	*(5,692)*
	30,812	*26,666*

An annual review of the recoverability of work in progress during phase 1 of the project has been undertaken, which has resulted in an additional impairment charge of £175,000 *(2018: £5,692,339)* being recognised in the year ended 31st December 2019. The calculations assume a cost to complete of £4,700,000 *(2018: £4,800,000)* which has now been accrued within work in progress.

11. Debtors

	2019 £000	*2018* *£000*
Trade debtors	**10**	*830*
Other debtors	**44**	*56*
Prepayments and accrued income	**2**	*5*
Deferred taxation	**103**	-
	159	*891*

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12. Current asset investments

	2019 £000	2018 £000
Listed investments	9,629	8,770

	2019 £000	2018 £000
Opening fair value	8,770	9,157
Investment withdrawal	-	(150)
Change in value of investments	859	(237)
Market value	9,629	8,770

13. Cash and cash equivalents

	2019 £000	2018 £000
Cash at bank and in hand	6,725	6,394

14. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	103	295
Corporation tax	120	-
Accruals and deferred income	4,960	527
	5,183	822

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

	2019 £000	2018 £000
Amounts owed to shareholders	36,218	35,232

16. Deferred taxation

	2019 £000
At beginning of year	(76)
Charged to profit or loss	179
At end of year	**103**

The deferred taxation balance is made up as follows:

	2019 £000	*2018 £000*
Fixed asset timing differences	4	*4*
Short term timing differences	(1,486)	*(1,733)*
Losses and other deductions	1,585	*1,653*
	103	*(76)*

17. 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 borrowing available. Given the maturity of the shareholder loans in note 15, 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 in the nature of the asset and management's view of the future direction of interest rate.

	2019 £000	*2018 £000*
Financial assets		
Financial assets measured at fair value through profit or loss	**9,629**	*8,770*
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	**(36,218)**	*(35,232)*

Financial assets measured at fair value through profit or loss comprise of listed investments.

The financial liabilities measured at fair value through profit or loss relate to amounts shown in note 15 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 have considered the fair value of the land owned by the company, together with work in progress, cash and debtors, based on current information and future prospects. This liability will be fair valued at each balance sheet date taking into account that the future changes in fair value of the asset will impact the fair value of the loan, as the loan reflects the obligation to distribute the resulting profits.

During the year, the directors' review of the fair value assessment of the shareholder loan resulted in a fair value movement of £415k *(2018: £7,294k)* being recognised in the year.

18. Provisions

	Environmental monitoring provision £000
At 1 January 2019	**6,667**
Utilised in year	**(33)**
Released in year	**(690)**
At 31 December 2019	**5,944**

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.

19. Share capital

	2019 £000	*2018 £000*
Allotted, called up and fully paid		
300 *(2018: 300)* Ordinary shares of £1 each	-	*-*

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

20. Capital commitments

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

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21. Related party transactions

During the year, interest of £175k became due to Wilson Bowden Limited. At the year end, the balance owing to Wilson Bowden Limited was £19,577k *(2018: £19,402k)*. 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 £255k *(2018: £208k)* by Tata Steel UK Limited (formerly Corus UK Limited). At the year end, the balance owing to Tata Steel UK Limited was £20,734k *(2018: £20,479k)*. Tata Steel UK Limited is a related party of Ravenscraig Limited by virtue of its 33.33% shareholding in the company.

During the year, interest of £141k became due to Scottish Enterprise Lanarkshire Limited. At the year end, the balance owing to Scottish Enterprise Lanarkshire Limited was £17,349k *(2018: £17,208k)* Scottish Enterprise Lanarkshire Limited is a related party of Ravenscraig Limited by virtue of its 33.33% shareholding in the company.

	2019	*2018*
	£000	*£000*
Wilson Bowden Limited	**19,577**	*19,402*
Tata Steel UK Limited	**20,734**	*20,479*
Scottish Enterprise Lanarkshire Limited	**17,349**	*17,208*
Balance due as at 31 December	**57,660**	*57,089*
Fair value adjustment on transition to FRS 102 in 2016	**(14,563)**	*(14,563)*
Fair value adjustment 2018	**(7,294)**	*(7,294)*
Fair value adjustment 2019	**415**	-
	36,218	*35,232*

During the year, the directors' review of the fair value assessment of the shareholder loan resulted in a fair value adjustment of £415k *(2018: £7,294k)* being recognised in the year (see note 17).

22. Controlling party

The company has no controlling party, it is jointly controlled by the shareholders; Tata Steel UK Limited, Scottish Enterprise Lanarkshire Limited and Wilson Bowden Limited.

23. Events since the year end

On 11 March 2020, the World Health Organisation (WHO) officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. As this is a non-adjusting event, management has not adjusted the financial statements for the year ended 31 December 2019. Management is closely monitoring the evolution of this pandemic, including how it may affect the company, the economy and the population.