

**COMPANY REGISTRATION NUMBER: 00278815**

**C.RO PORTS KILLINGHOLME LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31st DECEMBER 2016**

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09/06/2017  
COMPANIES HOUSE

**BREBNERS**  
Chartered Accountants & Statutory Auditor  
130 Shaftesbury Avenue  
London  
W1D 5AR

# **C.RO PORTS KILLINGHOLME LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31st DECEMBER 2016**

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**C.RO PORTS KILLINGHOLME LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**The board of directors**

J Rubens  
F Las  
M Jadot

**Registered office**

130 Shaftesbury Avenue  
2nd Floor  
London  
W1D 5EU

**Auditor**

Brebners  
Chartered Accountants & Statutory Auditor  
130 Shaftesbury Avenue  
London  
W1D 5AR

**Bankers**

BNP Paribas  
10 Harewood Avenue  
London  
NW1 6AA

**C.RO PORTS KILLINGHOLME LIMITED**  
**STRATEGIC REPORT**  
**YEAR ENDED 31st DECEMBER 2016**

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**Business Review**

The company handles ro-ro generated unitised freight through a first class facility of six berths that has been developed over a number of years.

The directors report a decrease in turnover from £31.2m in 2015 to £28.3m together with a reduction in net profitability.

Current economic conditions continue to create uncertainty over the level of demand for the services provided by the company. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that it should be able to operate within the scope of its working capital.

**Financial Key Performance Indicators**

The key performance indicators used by the directors to measure the performance of the company are as follows:

	2016	2015
Turnover (£)	28,564,655	31,206,330
Gross profit margin	37.0%	45.6%
Profit before tax (£)	7,044,635	11,299,737

The key non-financial performance indicators that the directors use to measure and assess the company's performance are the ratios of unit throughput compared to capital cost of moveable plant and equipment employed and compared to workforce utilisation. There are numerous other non-financial performance indicators used by the directors but none are considered to be key.

**C.RO PORTS KILLINGHOLME LIMITED****STRATEGIC REPORT** *(continued)***YEAR ENDED 31st DECEMBER 2016**

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**Risk Management**

The Board of Management is of the opinion that the group is not exposed to tangible, financial or non-financial risks other than those inherent to the group's line of business.

Throughout its operations the company faces various internal and external risks. These include market risks, legislative and regulatory risks and environmental risks all of which could conceivably have an impact on the company's long term performance. The company manages the risks inherent to its operations in order to mitigate exposure to all forms of risk, when practical. The company transfers as much risk to insurers as is practicable and cost effective.

The company's principal financial instruments comprise bank balances, trade creditors, trade debtors and intragroup indebtedness. These instruments enable the company to finance its operations and its subsidiary undertakings.

The group's revenue is generated by a limited number of clients. Not only does a potential departure of one of these clients have to be taken into account, but also possible solvency. The turnover is also susceptible to economic conditions. The company closely monitors outstanding debts from all sources and adapts a conservative approach to accounting for bad debts.

A poor economic climate will naturally have an impact on the demand for the company's services.

Labour cost is one of the main expenditures for the company. When these costs increase, the company's profits come under a lot of pressure.

The group is subject to business rates. This tax is determined by the relevant authorities and it can not be excluded that it may increase in the future. This could compromise the profitability of the company.

The company's policy is to maintain borrowings at a level such that they provide access to funds sufficient to meet all of its foreseeable requirements.

In past years the company has been able to rely on external financing. However, the risk remains that the financial markets will not make available sufficient funds to support the management of the company and that the interest charged will increase to such an extent that the investments no longer appear profitable.

The company has no significant exchange rate risk as it carries out its operations wholly within the UK and its transactions are principally contracted in sterling.

Additional risks the company faces:

- Effects of the global economic downturn
- Safety risks involving the operation of the various port and terminal facilities
- Legal risks involving the laws and regulations to which the company is required to adhere.
- Loss of major customer

This report was approved by the board of directors on 02/06/2017 and signed on behalf of the board by:

F Las  
Director



## **C.RO PORTS KILLINGHOLME LIMITED**

### **DIRECTORS' REPORT**

**YEAR ENDED 31st DECEMBER 2016**

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The directors present their report and the financial statements of the company for the year ended 31st December 2016.

#### **DIRECTORS**

The directors who served the company during the year were as follows:

J Rubens  
F Las  
M Jadot  
M Lewis

#### **PRINCIPAL ACTIVITY**

The company's principal activity is that of a port operator and associated trades.

#### **DIVIDENDS**

The directors do not recommend the payment of a dividend.

#### **FUTURE DEVELOPMENTS**

Simon Group Limited, the direct shareholder of C.RO Ports Killingholme Limited, used to be a quoted company, owned by numerous investors. The Group has now gained full ownership over the company.

C.RO Ports London Limited is equally 100% owned by the Group and has similar activities at the Thames. A number of synergies has already been realised on an administrative level, by centralising HR, accounts, etc. The directors believe it has become apparent that the group structure resulting out of the historical shareholdership needs to be revised to optimise the operations and results of the Group.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the strategic report, 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 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 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.

# C.RO PORTS KILLINGHOLME LIMITED

## DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st DECEMBER 2016

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### AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 07/06/2017 and signed on behalf of the board by:

F Las  
Director



**C.RO PORTS KILLINGHOLME LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C.RO PORTS**  
**KILLINGHOLME LIMITED**  
**YEAR ENDED 31st DECEMBER 2016**

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We have audited the financial statements of C.RO Ports Killingholme Limited for the year ended 31st December 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 31st December 2016 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.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



**C.RO PORTS KILLINGHOLME LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C.RO PORTS  
KILLINGHOLME LIMITED (continued)**

**YEAR ENDED 31st DECEMBER 2016**

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**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.



Martin Widdowson (Senior Statutory Auditor)

For and on behalf of  
Brebners  
Chartered Accountants & Statutory Auditor  
130 Shaftesbury Avenue  
London  
W1D 5AR

5/6/17

**C.RO PORTS KILLINGHOLME LIMITED**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**YEAR ENDED 31st DECEMBER 2016**

		2016 £	2015 £
<b>TURNOVER</b>	Note 4	<b>28,564,655</b>	31,206,330
Cost of sales		<u>(18,001,669)</u>	<u>(16,980,025)</u>
<b>GROSS PROFIT</b>		<b>10,562,986</b>	14,226,305
Administrative expenses		<u>(3,900,730)</u>	<u>(3,476,178)</u>
Other operating income	5	<u>442,379</u>	<u>582,946</u>
<b>OPERATING PROFIT</b>	6	<b>7,104,635</b>	11,333,073
Other interest receivable and similar income		–	67,664
Interest payable and similar expenses	9	<u>(60,000)</u>	<u>(101,000)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>7,044,635</b>	11,299,737
Tax on profit	10	<u>(2,056,815)</u>	<u>(2,944,344)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<b><u>4,987,820</u></b>	<b><u>8,355,393</u></b>
<b>RETAINED EARNINGS AT THE START OF THE YEAR</b>		<b><u>46,897,021</u></b>	<b><u>38,541,628</u></b>
<b>RETAINED EARNINGS AT THE END OF THE YEAR</b>		<b><u>51,884,841</u></b>	<b><u>46,897,021</u></b>

All the activities of the company are from continuing operations.

**C.RO PORTS KILLINGHOLME LIMITED****STATEMENT OF FINANCIAL POSITION****31st DECEMBER 2016**

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	11	60,691,784	64,018,991
Investments	12	1,725,001	1,725,001
		<u>62,416,785</u>	<u>65,743,992</u>
<b>CURRENT ASSETS</b>			
Stocks	13	103,839	96,661
Debtors	14	7,214,407	5,648,295
Cash at bank and in hand		3,004,538	2,222,495
		<u>10,322,784</u>	<u>7,967,451</u>
<b>CREDITORS: amounts falling due within one year</b>	15	<u>12,808,275</u>	<u>18,628,936</u>
<b>NET CURRENT LIABILITIES</b>		<u>2,485,491</u>	<u>10,661,485</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>59,931,294</u>	<u>55,082,507</u>
<b>PROVISIONS</b>	16	<u>686,478</u>	<u>825,511</u>
<b>NET ASSETS</b>		<u>59,244,816</u>	<u>54,256,996</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	20,947	20,947
Share premium account	20	5,146,973	5,146,973
Revaluation reserve	20	2,186,055	2,186,055
Other reserves, including the fair value reserve	20	6,000	6,000
Profit and loss account	20	51,884,841	46,897,021
<b>MEMBERS FUNDS</b>		<u>59,244,816</u>	<u>54,256,996</u>

These financial statements were approved by the board of directors and authorised for issue on 02/06/2017 and are signed on behalf of the board by:

F Las  
Director

Company registration number: 00278815

The notes on pages 10 to 20 form part of these financial statements.

**C.RO PORTS KILLINGHOLME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 2016**

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**1. GENERAL INFORMATION**

The company is incorporated in England and Wales and limited by shares. Its registered office is situated at 130 Shaftesbury Avenue, 2nd Floor, London W1D 5EU.

**Principal activity**

The principal activity of the company was that of the port operator and associated trades.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements are presented in Pounds Sterling (£) and have been prepared on the historical cost basis except for certain modifications to a fair value basis as specified in the accounting policies below.

**Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of CLdN Lignes SA which can be obtained from the Registre du Commerce et des Sociétés in Luxembourg. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Key assumptions and other sources of estimation uncertainty may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Judgements and estimates that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

**Useful economic lives of tangible assets**

Tangible fixed assets are depreciated to their estimated residual values over their estimated useful lives. The company exercises judgement to determine these useful lives and residual values.

**C.RO PORTS KILLINGHOLME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31st DECEMBER 2016**

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**3. ACCOUNTING POLICIES** *(continued)*

**Revenue recognition**

The turnover shown in the profit and loss account represents amounts receivable for services provided during the year, exclusive of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

**Investment properties**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

**C.RO PORTS KILLINGHOLME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31st DECEMBER 2016**

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**3. ACCOUNTING POLICIES** *(continued)*

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold land & buildings	-	Over an estimated life of 25 years
Plant, machinery & motor vehicles	-	5-50% straight line

**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

**Investments in associates**

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

**Stocks**

Stocks comprise consumable supplies and are measured at the lower of cost and net realisable value on a first-in-first-out basis.

**Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

**C.RO PORTS KILLINGHOLME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31st DECEMBER 2016**

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**3. ACCOUNTING POLICIES** *(continued)*

**Financial instruments** *(continued)*

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

**C.RO PORTS KILLINGHOLME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31st DECEMBER 2016**

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**Trade and other debtors**

Trade and other debtors are initially recognised at the transaction price and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

**Trade and other creditors**

Trade and other creditors are initially recognised at the transaction price and are thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

**Interest bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

**Related parties**

For the purposes of these financial statements, a party is considered to be related to the company if:

(i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company; (ii) the company and the party are subject to common control; (iii) the party is an associate of the company or a joint venture in which the company is a venturer; (iv) the party is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals; (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; (vi) the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company; or (vii) the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

**4. TURNOVER**

Turnover arises from:

	2016	2015
	£	£
Rendering of services	<u>28,564,655</u>	<u>31,206,330</u>



**C.RO PORTS KILLINGHOLME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31st DECEMBER 2016**

**4. TURNOVER** *(continued)*

The turnover shown in the profit and loss account represents amounts received for services provided during the year net of Value Added Tax. All turnover derives in the UK.

**5. OTHER OPERATING INCOME**

	2016 £	2015 £
Rental income	<u>442,379</u>	<u>582,946</u>

**6. OPERATING PROFIT**

Operating profit or loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets	5,352,095	5,308,583
Loss on disposal of tangible assets	4,783	54,944
Impairment of trade debtors	766	30,253
Foreign exchange differences	<u>63,698</u>	<u>(38,237)</u>

**7. AUDITOR'S REMUNERATION**

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>14,750</u>	<u>14,750</u>

**8. STAFF COSTS**

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016 No.	2015 No.
Production staff	117	98
Administrative staff	<u>9</u>	<u>8</u>
	<u>126</u>	<u>106</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016 £	2015 £
Wages and salaries	3,166,984	2,720,752
Social security costs	286,998	255,010
Other pension costs	<u>160,978</u>	<u>173,982</u>
	<u>3,614,960</u>	<u>3,149,744</u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2016 £	2015 £
Other Interest payable and similar charges	<u>60,000</u>	<u>101,000</u>

**C.RO PORTS KILLINGHOLME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31st DECEMBER 2016**

**10. TAX ON PROFIT****Major components of tax expense**

	2016 £	2015 £
<b>Current tax:</b>		
UK current tax expense	1,932,674	3,099,113
Subvention Payments	<u>263,174</u>	<u>–</u>
Total current tax	<u>2,195,848</u>	<u>3,099,113</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>(139,033)</u>	<u>(154,769)</u>
<b>Tax on profit</b>	<u>2,056,815</u>	<u>2,944,344</u>

**Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>7,044,635</u>	<u>11,299,737</u>
Profit on ordinary activities by rate of tax	1,408,927	2,288,197
Effect of expenses not deductible for tax purposes	7,724	–
Effect of capital allowances and depreciation	779,197	800,127
Rounding on tax charge	–	43
Other tax adjustments	–	10,746
Deferred tax	<u>(139,033)</u>	<u>(154,769)</u>
<b>Tax on profit</b>	<u>2,056,815</u>	<u>2,944,344</u>

**C.RO PORTS KILLINGHOLME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31st DECEMBER 2016**

**11. TANGIBLE ASSETS**

	Freehold property £	Assets in Course of Construction £	Plant and machinery £	Total £
<b>Cost</b>				
At 1st January 2016	97,912,948	—	6,458,469	<b>104,371,417</b>
Additions	4,659	610,299	1,824,590	<b>2,439,548</b>
Disposals	—	—	(512,610)	<b>(512,610)</b>
<b>At 31st December 2016</b>	<b>97,917,607</b>	<b>610,299</b>	<b>7,770,449</b>	<b>106,298,355</b>
<b>Depreciation</b>				
At 1st January 2016	37,199,545	—	3,152,881	<b>40,352,426</b>
Charge for the year	3,934,977	—	1,417,118	<b>5,352,095</b>
Disposals	—	—	(97,950)	<b>(97,950)</b>
<b>At 31st December 2016</b>	<b>41,134,522</b>	<b>—</b>	<b>4,472,049</b>	<b>45,606,571</b>
<b>Carrying amount</b>				
<b>At 31st December 2016</b>	<b>56,783,085</b>	<b>610,299</b>	<b>3,298,400</b>	<b>60,691,784</b>
At 31st December 2015	60,713,403	—	3,305,588	64,018,991

Freehold property includes land and buildings with a carrying value at 31st December 2016 amounting to £2,425,327 that is let to third parties and fellow group undertakings under informal short term arrangements. The directors believe the fair value of these properties is materially the same as the cost less depreciation and no material adjustment is required for these items to be reflected at fair value as required by FRS 102.

**12. INVESTMENTS**

	Shares in group undertakings £
<b>Cost</b>	
At 1 Jan 2016 and 31 Dec 2016	<b>1,725,001</b>
<b>Impairment</b>	
At 1 Jan 2016 and 31 Dec 2016	<b>—</b>
<b>Carrying amount</b>	
<b>At 31st December 2016</b>	<b>1,725,001</b>

**C.RO PORTS KILLINGHOLME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31st DECEMBER 2016**

**12. INVESTMENTS** *(continued)*

At 31st December 2016 the following companies were wholly owned subsidiary undertakings of C.RO Ports Killingholme Limited.

	Country of registration or incorporation	Class of share	Proportion held	Business
C.RO Ports Sutton Bridge Limited	England and Wales	Ordinary	100%	Port operator
C.RO Ports Sutton Bridge Agencies Limited	England and Wales	Ordinary	100%	Ships' agents

**13. STOCKS**

	2016 £	2015 £
Raw materials and consumables	<u>103,839</u>	<u>96,661</u>

Stock recognised in cost of sales during the year as an expense amounted to £712,466 (2015: £773,749).

**14. DEBTORS**

	2016 £	2015 £
Trade debtors	3,424,984	1,041,307
Amounts owed by group undertakings	73,427	1,213,532
Prepayments and accrued income	2,993,777	2,943,029
Other debtors	<u>722,219</u>	<u>450,427</u>
	<u>7,214,407</u>	<u>5,648,295</u>

**15. CREDITORS: amounts falling due within one year**

	2016 £	2015 £
Trade creditors	1,890,791	933,511
Amounts owed to group undertakings	9,363,772	14,547,143
Accruals and deferred income	1,129,644	1,083,211
Corporation tax	310,501	1,968,507
Social security and other taxes	91,089	76,317
Other creditors	<u>22,478</u>	<u>20,247</u>
	<u>12,808,275</u>	<u>18,628,936</u>

**C.RO PORTS KILLINGHOLME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31st DECEMBER 2016**

**16. PROVISIONS**

	Deferred tax (note 17) £
At 1st January 2016	825,511
Charge against provision	<u>(139,033)</u>
<b>At 31st December 2016</b>	<b><u>686,478</u></b>

**17. DEFERRED TAX**

The deferred tax included in the statement of financial position is as follows:

	2016 £	2015 £
Included in provisions (note 16)	<u>686,478</u>	<u>825,511</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016 £	2015 £
Accelerated capital allowances	<u>686,478</u>	<u>825,511</u>

**18. EMPLOYEE BENEFITS****Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £160,978 (2015: £173,982).

At 31st December 2016 unpaid contributions amounted to £19,890 (2015: £17,936).

**Defined benefit plans**

The company operates in a funded group wide scheme providing benefits based on final pensionable pay. The company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis. As permitted by FRS 102 disclosure of the scheme is provided in the statutory accounts of the ultimate UK company, Simon Group Limited.

**19. CALLED UP SHARE CAPITAL****Issued, called up and fully paid**

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>20,947</u>	<u>20,947</u>	<u>20,947</u>	<u>20,947</u>

**20. RESERVES**

The profit and loss account records retained earnings and accumulated losses.

**C.RO PORTS KILLINGHOLME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31st DECEMBER 2016**

**21. OPERATING LEASES**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Not later than 1 year	109,440	109,440
Later than 1 year and not later than 5 years	437,760	437,760
Later than 5 years	<u>3,418,051</u>	<u>3,561,123</u>
	<u>3,965,251</u>	<u>4,108,323</u>

**22. CONTINGENCIES**

The company has entered into a joint borrowing agreement with a parent undertaking and at 31st December 2016 the total liability outstanding in respect of these borrowings amounted to £14,854,438 (2015: £17,854,438). No obligation is expected to crystallise.

These borrowings are secured by a first priority mortgage over the land and buildings of C.RO Ports Killingholme Limited and a first priority pledge over all shares of C.RO Ports Killingholme Limited.

**23. RELATED PARTY TRANSACTIONS**

In accordance with FRS 102 paragraph 33.1A exemption is taken not to disclose transactions in the year between wholly owned group undertakings.

Sales were made in the year to companies under common control amounting to £14,054,555 (2015: £17,682,515). Purchases of £513,569 (2015: £308,814) were made in the year from companies under common control. At 31st December 2016 net trade balances of £870,028 were owed by (2015: £566,440) companies under common control.

**24. CONTROLLING PARTY**

The immediate parent undertaking is Simon Group Limited.

The directors consider the controlling undertaking to be CLdN Lignes SA, a company registered in Luxembourg. The registered office of CLdN Lignes SA is 3-7, rue Schiller, L.2519, Luxembourg.

Group accounts are prepared by CLdN Lignes SA including the results of C.RO Ports Killingholme Limited. CLdN Lignes SA is the parent company of the largest and smallest group preparing group accounts.