

CLdN Ports Killingholme Limited (formerly C.RO Ports Killingholme Limited)

Annual Report and Financial Statements
for the Year Ended 31 December 2021

Brebners

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

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

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CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Company Information

Directors	J M E Rubens F S Maes S M Hammond P van Malderen G Walker B Dove-Seymour
Registered office	130 Shaftesbury Avenue 2nd Floor London W1D 5EU
Auditor	Brebners Chartered Accountants & Statutory Auditor 130 Shaftesbury Avenue W1D 5AR

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the company is that of a port operator.

Fair review of the business

The company owns and operates a c.218 acre six berth RoRo terminal at Killingholme on the south bank of the River Humber, handling EU-UK unaccompanied unitised freight: containers, trailers and automotive units and general cargo. The company's customers include third party and related shipping lines.

A significant portion of the business is related to the automotive business, both in stevedoring handling and storage.

The Directors have previously reported on a proposed reorganisation of the company and its holding company, CLdN Ports Humber Limited. This proposal is under review.

Development and performance of the company's business during the financial year

The directors report a slight decrease in turnover from £44,999,291 in 2020 to £44,826,520 in 2021. The company's cost of sales and administrative expenses were similar to the previous year and as a result there was a proportionate decrease in profit before tax to £9,026,476 in 2021 from £9,349,159 in 2020. The company's net assets have increased from £80,748,711 in 2020 to £87,140,367 in 2021 as a result of the profit after tax retained for the year of £6,391,656. Additions to fixed assets in the year amounted to £20,901,409 relating principally to the new border control post. This was funded in part by Government grants of which an amount of £6,948,598 is deferred and included in creditors due after more than one year.

The directors consider that the performance of the company during exceptional trading conditions has demonstrated the essential role of the UK's short sea ro-ro ferry ports in the UK's freight capacity needs and supply chain. The company was able to continue to operate during ongoing impacts from COVID-19, and the changes to trading conditions resulting from the end of the transition period of the UK's exit from the EU.

Relations between the EU and UK have settled, and customers are more familiar with customs rules. The Government has indicated a lighter-touch regime for SPS checks, which will help reduce further trade obstacles from the EU to UK. Dwell times for units on port are still above comparable times prior to the UK's exit from the EU.

Automotive volumes remain lower than before the COVID pandemic. This is a result of factory closures during the COVID pandemic, and constraints in the supply chain including for semiconductors and the war in Ukraine, a major car parts manufacturing hub. The directors do not anticipate an uplift in automotive volumes during 2022.

Restrictions on operations from COVID rules have now been relaxed. Trading volumes remained consistent during the pandemic and terminal operations could continue without material disruption.

The company's operating costs will be affected by the removal on exemptions for red diesel and higher energy costs - both electricity, and for fuel for terminal machines.

The Company is a member of a group of companies that provides transportation services through its network of ports and shipping lines and door-to-door operations. These links remained robust during the COVID pandemic, and the CLdN group has significant market share in EU-UK Trade. The Company's affiliates in the EU continue to invest in their terminal facilities, as well as modern shipping fleet.

In March 2022 the Company's subsidiary C.RO Port Sutton Bridge Limited ceased to operate following several years of difficult trading conditions. The Company had hoped to sell the business as an operating port prior to closure. However, the port and port storage assets remain capable of continued operation as a port, and the company is looking for a buyer on that basis.

Stevedoring services that are provided to related parties are priced based on the Transactional Net Margin Method (TNMM). A benchmark analysis is carried out on a regular basis to ensure the market-conformity of the company's result.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Strategic Report for the Year Ended 31 December 2021

Financial Key Performance Indicators

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2021	2020
Turnover	£	44,826,520	44,999,291
Operating profit	£	8,868,803	9,273,691
Gross profit margin	%	40	35
Profit before tax	£	9,026,476	9,349,159

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.

Future developments and prospects

Throughout 2021, freight volumes were nonetheless sustained.

Looking ahead, there are potential challenges including the impact of the ongoing war in the Ukraine, and global economic conditions including inflation. There is also the potential for a trade dispute between the EU and the UK over the issue of the Northern Ireland protocol, which is also discussed below.

Nonetheless, the UK remains reliant on short sea ports to service its freight transport needs with continental Europe. The directors consider that the company is well-placed to secure its position in this market and is part of an integrated shipping and ports group that provides these essential services in the UK and EU. The company continues to invest in the facilities at Killingholme, and is focused on ensuring a longer-term strategy that enables it to continue to offer efficient and cost-effective services to its customers.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Strategic Report for the Year Ended 31 December 2021

Risk Management

The board of directors assess that the key risks to the company are related to its operations, as follows:

- **Customers:** The company's revenue is generated by a limited number of shipping line customers in a very competitive market. The company is therefore exposed to the potential loss of one or more of these clients for commercial reasons, or insolvency. The directors seek to mitigate these risks with long-term contracts and maintaining the competitiveness of the port for customers.
- **Labour:** increasing costs and restricted availability of labour are operational risks. The directors take steps to respond to the employment market, although labour availability is constrained in the UK.
- **Energy:** operational costs have increased as a result of inflation in fuel and electricity prices, alongside the removal of the red diesel exemption. The directors assess that a return to 2020/2021 prices is not likely during the next financial year.
- **EU-UK trade:** the potential threat of a trade war between the EU and UK in response to the Northern Ireland protocol remains. The main impact of any such trade war would be increased costs to trade and some disruption. The UK has also postponed introduction of SPS checks with indications of a new lighter-tough regime, which will help reduce obstacles to trade. The necessary facilities are constructed and ready for use.
- **Health, safety and environment (HSE):** the company's stevedoring and storage operations carry inherent HSE risks, including berthing of vessels heavy terminal equipment. The company has a dedicated HSE team to manage these risks through risk assessment, policy, training and reporting. Insurance is maintained to cover these risks.
- **Global economic conditions:** although the global recovery from the impacts of the COVID pandemic was initially positive, the directors expect that the anticipated sustained run of higher inflation over the next 12 months and wider economic uncertainty, including as a result of the war in Ukraine, are likely to impact trading conditions particularly in the automotive sector.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Strategic Report for the Year Ended 31 December 2021

Going concern

The company made a profit after tax for the year ended 31 December 2021 of £6,391,656 and had net assets at that date amounting to £87,140,367.

The company finances its operations on a group basis from a combined treasury function as disclosed in note 23 to the financial statements.

The company is a co-borrower and co-obligor under a €200 million revolving credit facility (reducing by €20 million annually from April 2027) with other members of its group. As at the date these financial statements were approved by the directors, €45,489,991 is drawn under this facility by other co-borrowers, but not the company or its parent.

The company secured grant funding from the UK government for the construction of the new border control post for SPS checks and UK Border Force.

The company is a participating employer in the hybrid scheme Simon Group Pension Fund. The company is a subsidiary of the sponsoring employer, CLdN Ports Humber Limited, with whom the principal liabilities for the Fund sit.

The directors also consider that although the negative economic outlook and geopolitical uncertainty related to ongoing war in Ukraine can be expected to impact trading volumes and revenue, this should not result in issues for the company as a going concern.

Having made sufficient enquiries, and based upon the above, the directors have a reasonable expectation that the company has adequate resources to continue operating in the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Approved by the Board on 28 June 2022 and signed on its behalf by:

.....
P van Malderen
Director

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Change of company name

The company changed its name from C.Ro Ports Killingholme Limited to CLdN Ports Killingholme Limited on 4 April 2022.

Directors of the company

The directors who held office during the year were as follows:

J M E Rubens

F S Maes

S M Hammond

P van Malderen

G Walker

B Dove-Seymour

Dividends

No interim dividends were paid in the year (2020; £Nil). No final dividend is proposed.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Disclosure of information in the Strategic Report

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial instruments.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Directors' Report for the Year Ended 31 December 2021

Streamlined Energy and Carbon Reporting

The UK Government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019. The disclosures below represent the company's energy use and associated greenhouse gas (GHG) emissions from electricity and fuel in the UK for the year ended 31 December 2021.

The SECR submission has been compiled using the 2019 HM Government Environmental Reporting Guidelines. Emissions have been grouped accordingly to the GHG Protocol Corporate Standard.

Comparison with prior year figures

As this is the first year that the company falls under the scope of SECR there is no requirement to provide comparative figures for consumption and emissions. The year to 31 December 2021 reporting period will be used as a baseline for future comparisons. The baselines year will be reviewed and re-designated if there is significant organisational change.

Emissions and energy consumption

Scope 1

The total red diesel usage figure was provided by the report generated by the provider of the fuel tanks on site, from which port equipment etc. is fuelled. This report broke down fuel consumption into various equipment/vehicle codes, which drivers/operators have to input when taking fuel out of the tank to show which specific vehicle the fuel has been used for.

The white diesel usage figure for terminal activities came from the fuel tank report mentioned above. White diesel and petrol usage by company cars and pool cars was estimated by analysing fuel expenses claims, utilising AA's nationwide monthly fuel price reports for the Yorkshire and Humber region for the month the expenses were claimed.

Kerosene usage figures were taken directly from invoices for the year 2021.

Propane figures were based on accounting invoices. Exact amounts were used for transactions where invoices were available, and estimated amounts calculated from the rates shown on these invoices.

Emissions conversion factors for the other energy sources (stating grams of CO₂e released per litre of fuel used) and all energy conversion factors (stating kWh produced per litre of fuel) in this report came from the HMG emissions conversion factors.

Scope 2

The electricity usage figure was taken from electricity bills for the year 2021. As the port electricity supply feeds into one meter, gaining a definitive breakdown of the port's electricity usage by process, location, etc. was not possible. The electricity usage of the electric forklift truck was estimated by multiplying the manufacturer's power consumption figure per hour by the operational hours it had run over the year.

The emissions factor of the electricity (stating how many grams CO₂e released per kWh) used by the port came from the supplier, Bryt Energy. This zero-carbon, zero-emissions figure has been verified by independent third party EcoAct.

Intensity ratio

The intensity ratio is expressed as emission (CO₂e) per unit. This was calculated based on the total number of containers and trailers (full and empty) handled by the terminal and the average consumption of the terminal equipment. The consumption of the terminal equipment is derived from registrations on the machine itself (reachstackers) or post-calculation based on the number of operating hours and the registered amount of fuel consumption on the machine badge (tugmasters). All emissions from the reachstackers are allocated to the containers; emissions from tugmasters are divided over containers and trailers based on the registered time spent on each type of unit.

During the year ended 31 December 2021, CLdN Ports Killingholme Limited recorded greenhouse gas emissions from the following.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Directors' Report for the Year Ended 31 December 2021

Fossil fuel consumption and associated GHG emissions of 8,417.00 tonnes of CO₂e per year . The majority of the energy CLdN Ports Killingholme (CLdN) uses stems from fossil fuel consumption; consequentially, fossil fuels are responsible for the majority of GHG emissions.

The vast majority of energy consumed, in terms of kWh, is produced by consumption of red diesel; in 2021, this red diesel contributed 84.0% of the energy used by CLdN. Red diesel also contributes far more than any other energy source to the greenhouse gas emissions, approximately 96% in 2021. Figures show that the majority (estimated over 80% in 2021) of this red diesel consumption is by terminal equipment, in particular reachstackers and tugmasters, which in 2021 were estimated to use 21% and 61% respectively of all red diesel used by the port. However, fuelling electricity generators requires a significant proportion of red diesel used (approximately 15% in 2021). Red diesel is also used to fuel some of the terminal vehicles required for transporting employees across the terminal to carry out operational duties, and to fuel space heaters and heating systems in some buildings on the port.

All other fossil fuels used contribute relatively little to the total energy consumption and greenhouse gas emissions figures. Propane is the second-most heavily used fuel on the port, estimated to form approximately two percent of CLdN's emissions and provide two percent of energy used on-site; this is used to heat some of the buildings, namely the main office building and one workshop.

White diesel consumption contributes slightly less than propane to the emissions and energy consumption, 1.3% of each figure. This is used for transport, fuelling some of CLdN's hired and owned terminal vehicles, pool cars used for employees without a company car wishing to drive between Killingholme and CLdN London's port at Purfleet, and some company cars provided to certain employees as an added benefit. Whilst some company car users have an agreement with the company to have costs both personal-use and business-use fuel covered by expenses, some do not have such agreements and instead claim fuel allowance back when travelling between CLdN sites. Both these instances have been included in the final white diesel consumption figures and according GHG emissions figures.

Consumption of kerosene, used for heating the access control building on-site, contributes a small fraction (less than half a percent) of GHG emissions, and a similar proportion to the port's total energy usage.

Finally, petrol used to fuel a company car contributes least of all fossil fuels used to overall energy consumption and GHG emissions (approximately 0.1% of each of these figures)..

Electricity use and associated GHG emissions of 0.00 tonnes of CO₂e per year . Electricity constitutes the second-largest source of energy to the port. In 2021 approximately 12% of the energy used by the port (approximately 4.3 million kWh) came from electricity. All the port's electricity came entirely from renewable sources, primarily wind power. This electricity has been verified as zero-carbon, emitting for reporting purposes no CO₂e in generation and distribution.

Electricity is required to power lighting and various operational equipment throughout the port, including some plant equipment such as forklift trucks. Electricity also powers overhead heaters in the Vehicle Enhancement Centre, electric heating and air conditioning units at the Border Control Post, and various electric oil-filled heaters distributed throughout the port. As the electricity is supplied solely to one meter, breaking down the electricity usage by these types to gain further insight into how the port uses electricity was not possible..

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Directors' Report for the Year Ended 31 December 2021

Intensity ratio

SECR requires reporting at least one intensity ratio, defined as a metric expressing the business' annual emissions in relation to a quantifiable factor. C.RO Ports expresses emission per unit handled on terminal. Due to the different way of handling trailers and containers, both are reported separately. Containers are transferred by both reach stackers and a tugmasters, whereas a trailer is only moved with a tugmaster.. During the year ended 31 December 2021 this was 0.00% .

Four new reach stackers were purchased. CRO Ports has selected the energy efficient ECO engine (Kalmar-motion). In absence of alternative drive lines suitable for our type of operation, this is the best available technology.

The first steps were taken to reduce the use of mobile generators on site:

- o Application for grid connection with higher capacity
- o Survey and capacity analysis of the internal ring main to determine the required modifications to tie in the equipment on mobile power generators

All new terminal lighting is LED. Old lighting was replaced by LED prior to 2021.

Approved by the director on 28 June 2022 and signed by:

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P van Malderen
Director

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Independent Auditor's Report to the Members of CLdN Ports Killingholme Limited for the Year Ended 31 December 2021

Opinion

We have audited the financial statements of CLdN Ports Killingholme Limited (the 'company') for the year ended 31 December 2021, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, 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 2021 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Independent Auditor's Report to the Members of CLdN Ports Killingholme Limited for the Year Ended 31 December 2021

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 10), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Independent Auditor's Report to the Members of CLdN Ports Killingholme Limited for the Year Ended 31 December 2021

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the industry in which it operates, we determined that the principal risks of non-compliance with laws and regulations related to the reporting framework (FRS 102 and the Companies Act 2006) and UK corporate taxation laws and environmental legislation, health and safety legislation, data protection legislation and international maritime regulations. These risks were communicated to our audit team and we remained alert to any indications of non-compliance throughout our audit.

We understood how the company is complying with relevant legislation by making enquiries of management. We also considered the results of our audit procedures and to what extent these corroborate this understanding and assessed the susceptibility of the company's financial statements to material misstatement. This included consideration of how fraud might occur and evaluation of management's incentives and opportunities for fraudulent manipulation of the financial statements.

We designed our audit procedures to identify any non-compliance with laws and regulations. Such procedures included, but were not limited to, inspection of any regulatory or legal correspondence; challenging assumptions and judgements made by management; identifying and testing journal entries with a focus on large or unusual transactions as determined based on our understanding of the business; and identifying and assessing the effectiveness of controls in place to prevent and detect fraud.

Owing to the inherent limitations of an audit, there remains a risk that a material misstatement may not have been detected, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance with laws and regulations and cannot be expected to detect all instances of non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The primary responsibility for the detection and prevention of fraud rests with those responsible for governance and management. The further removed non-compliance with laws and regulations is from the events reflected in the financial statements, the less likely the auditor will become aware of it.

The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission, misrepresentation or forgery.

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.

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Martin Widdowson (Senior Statutory Auditor)

For and on behalf of

Brebners, Statutory Auditor

130 Shaftesbury Avenue

W1D 5AR

28 June 2022

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Statement of Income and Retained Earnings for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	<u>3</u>	44,826,520	44,999,291
Cost of sales		<u>(29,610,842)</u>	<u>(29,075,303)</u>
Gross profit		15,215,678	15,923,988
Administrative expenses		(7,511,404)	(6,856,706)
Other operating income	<u>4</u>	<u>1,164,529</u>	206,409
Operating profit	<u>6</u>	<u>8,868,803</u>	<u>9,273,691</u>
Other interest receivable and similar income	<u>7</u>	<u>157,673</u>	75,468
		<u>157,673</u>	<u>75,468</u>
Profit before tax		9,026,476	9,349,159
Taxation	<u>10</u>	<u>(2,634,820)</u>	<u>(2,609,250)</u>
Profit for the financial year		6,391,656	6,739,909
Retained earnings brought forward		<u>73,388,736</u>	<u>66,648,827</u>
Retained earnings carried forward		<u>79,780,392</u>	<u>73,388,736</u>

The notes on pages 16 to 26 form an integral part of these financial statements.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>11</u>	71,994,323	57,949,070
Investments	<u>12</u>	1,725,001	1,725,001
		<u>73,719,324</u>	<u>59,674,071</u>
Current assets			
Stocks	<u>13</u>	442,148	375,003
Debtors	<u>14</u>	27,834,503	26,079,000
Cash at bank and in hand		61,041	1,032,398
		<u>28,337,692</u>	<u>27,486,401</u>
Creditors: Amounts falling due within one year	<u>16</u>	(7,286,867)	(5,691,620)
Net current assets		<u>21,050,825</u>	<u>21,794,781</u>
Total assets less current liabilities		<u>94,770,149</u>	<u>81,468,852</u>
Creditors: Amounts falling due after more than one year	<u>16</u>	(6,948,598)	-
Provisions for liabilities	<u>17</u>	(681,184)	(720,141)
Net assets		<u><u>87,140,367</u></u>	<u><u>80,748,711</u></u>
Capital and reserves			
Called up share capital		20,947	20,947
Share premium reserve		5,146,973	5,146,973
Revaluation reserve		2,186,055	2,186,055
Other reserves		6,000	6,000
Profit and loss account		<u>79,780,392</u>	<u>73,388,736</u>
Shareholders' funds		<u><u>87,140,367</u></u>	<u><u>80,748,711</u></u>

Company registration number: 00278815

Approved and authorised by the Board on 28 June 2022 and signed on its behalf by:

.....

P van Malderen

Director

The notes on pages 16 to 26 form an integral part of these financial statements.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
130 Shaftesbury Avenue
2nd Floor
London
W1D 5EU

The principal place of business is:
Clough Lane
North Killingholme
North Lincolnshire
DN40 3LX

The principal activity of the company is that of a port operator.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

Summary of disclosure exemptions

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.

The judgements (apart from those involving estimations) 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:

The company exercises judgement to determine useful lives and residual values of tangible assets. The assets are depreciated to their estimated residual values over their estimated useful lives.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Notes to the Financial Statements for the Year Ended 31 December 2021

Group accounts not prepared

Exemption is taken from preparing consolidated financial statements under Companies Act 2006 section 401 on the basis that the company and its subsidiary undertakings are reflected in the consolidated accounts of CLdN Links SA which are publicly available.

Going concern

The company had net assets at 31 December 2021 amounting to £87,140,367. The company finances its operations on a group basis from a combined treasury function as disclosed in note 23 to the financial statements.

The directors have considered the potential impact of COVID-19.

At the date of these financial statements, it is still not possible to evaluate the full impact of the Coronavirus on the company's operations. The company operates in an essential sector and has remained operational since the outbreak of the pandemic. The Board of Directors believes, to the best of its knowledge and belief, that the impact of the virus and the measures taken to limit its spread will not have a material impact upon the ability of the Company to continue as a going concern.

Having made sufficient enquiries, and based upon the above, the directors have a reasonable expectation that the company has adequate resources to continue operating in the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises turnover from Ro-Ro Stevedoring and other terminal operations on the date the services are provided. Turnover in respect of storage and warehousing and commission is recognised over the period to which they relate.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Notes to the Financial Statements for the Year Ended 31 December 2021

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and assets under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold buildings	10-30 years straight line
Plant, machinery and motor vehicles	5-50% straight line

Government Grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Grants of a capital nature are credited to income over the useful economic lives of the assets to which they relate.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Notes to the Financial Statements for the Year Ended 31 December 2021

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Rendering of services - UK	44,741,903	44,999,291
Rental income from investment property	84,617	-
	<u>44,826,520</u>	<u>44,999,291</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021 £	2020 £
Insurance proceeds	735,051	-
Government grants	24,458	194,242
Rental income	405,020	12,167
	<u>1,164,529</u>	<u>206,409</u>

5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2021 £	2020 £
Gain/loss on disposal of property, plant and equipment	<u>12,672</u>	<u>126,717</u>

6 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	6,824,582	6,983,429
Foreign exchange losses	<u>13,801</u>	<u>53,100</u>

7 Other interest receivable and similar income

	2021 £	2020 £
Other finance income	<u>157,673</u>	<u>75,468</u>

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Notes to the Financial Statements for the Year Ended 31 December 2021

8 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Wages and salaries	7,535,771	7,186,122
Social security costs	690,588	649,504
Other short-term employee benefits	15,779	8,726
Pension costs, defined contribution scheme	384,226	397,979
Other employee expense	60,117	54,281
	<u>8,686,481</u>	<u>8,296,612</u>

The average number of persons employed by the company during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration and support	24	23
Terminal operations	220	212
	<u>244</u>	<u>235</u>

9 Auditor's remuneration

	2021 £	2020 £
Audit of the financial statements	<u>18,500</u>	<u>17,500</u>

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Notes to the Financial Statements for the Year Ended 31 December 2021

10 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	2,770,149	2,680,333
UK corporation tax adjustment to prior periods	(96,372)	34,166
	<u>2,673,777</u>	<u>2,714,499</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(38,957)	(105,249)
Tax expense in the income statement	<u><u>2,634,820</u></u>	<u><u>2,609,250</u></u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>9,026,476</u>	<u>9,349,159</u>
Corporation tax at standard rate	1,715,030	1,776,340
Effect of income exempt from taxation	(2,408)	(24,076)
Effect of expense not deductible in determining taxable profit (tax loss)	9,360	25,244
Increase in UK and foreign current tax from adjustment for prior periods	36,216	34,166
Tax increase from effect of capital allowances and depreciation	915,579	902,825
Tax decrease from other short-term timing differences	(38,957)	(105,249)
Total tax charge	<u><u>2,634,820</u></u>	<u><u>2,609,250</u></u>

Deferred tax

Deferred tax assets and liabilities

2021	Liability £
Accelerated capital allowances	681,184
	<u><u> </u></u>
2020	Liability £
Accelerated capital allowances	720,141
	<u><u> </u></u>

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Notes to the Financial Statements for the Year Ended 31 December 2021

11 Tangible assets

	Freehold Land and buildings £	Assets under construction £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2021	110,745,061	313,847	19,728,024	130,786,932
Additions	59,452	20,628,906	213,051	20,901,409
Disposals	-	-	(171,769)	(171,769)
Transfers	-	(39,818)	39,818	-
At 31 December 2021	<u>110,804,513</u>	<u>20,902,935</u>	<u>19,809,124</u>	<u>151,516,572</u>
Depreciation				
At 1 January 2021	61,995,280	-	10,842,582	72,837,862
Charge for the year	4,313,938	-	2,510,645	6,824,583
Eliminated on disposal	-	-	(140,196)	(140,196)
At 31 December 2021	<u>66,309,218</u>	<u>-</u>	<u>13,213,031</u>	<u>79,522,249</u>
Carrying amount				
At 31 December 2021	<u><u>44,495,295</u></u>	<u><u>20,902,935</u></u>	<u><u>6,596,093</u></u>	<u><u>71,994,323</u></u>
At 31 December 2020	<u><u>48,749,781</u></u>	<u><u>313,847</u></u>	<u><u>8,885,442</u></u>	<u><u>57,949,070</u></u>

Analysis of land and buildings valued at the date of transition to FRS 102 using the deemed cost exemption.

	2021 £	2020 £
Historical Cost	5,232,188	5,232,188
Depreciation to date	(2,405,842)	(2,309,357)
Revaluation	<u>2,186,055</u>	<u>2,186,055</u>
Carrying value	<u><u>5,012,401</u></u>	<u><u>5,108,886</u></u>

On 31 December 1996 certain land and buildings were revalued based upon professional advice of an amount of £7,000,000.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Notes to the Financial Statements for the Year Ended 31 December 2021

12 Investments

	2021 £	2020 £
Investments in subsidiaries	<u>1,725,001</u>	<u>1,725,001</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2021		<u>1,725,001</u>
Carrying amount		
At 31 December 2021		<u><u>1,725,001</u></u>
At 31 December 2020		<u><u>1,725,001</u></u>

Details of subsidiary undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
C.RO Ports Sutton Bridge Limited	130 Shaftesbury Avenue, 2nd Floor, London W1D 5EU	Ordinary	100%	100%
C.RO Ports Sutton Bridge Agencies Limited	130 Shaftesbury Avenue, 2nd Floor, London W1D 5EU	Ordinary	100%	100%

C.RO Ports Sutton Bridge Limited

The principal activity of C.RO Ports Sutton Bridge Limited is that of the operation of a shipping port and associated trades. The company ceased to trade on 25 March 2022.

C.RO Ports Sutton Bridge Agencies Limited

The principal activity of C.RO Ports Sutton Bridge Agencies Limited is that of a ships' agent. The company ceased to trade on 25 March 2022.

13 Stocks

	2021 £	2020 £
Stock	<u>442,148</u>	<u>375,003</u>

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Notes to the Financial Statements for the Year Ended 31 December 2021

14 Debtors

	2021 £	2020 £
Trade debtors	2,453,226	1,597,467
Amounts owed by group undertakings	186,015	2,479,811
Other debtors	19,322,963	14,603,776
Prepayments and accrued income	5,120,983	7,246,078
Corporation tax asset	751,316	151,868
	<u>27,834,503</u>	<u>26,079,000</u>
Total current trade and other debtors		

15 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	<u>61,041</u>	<u>1,032,398</u>

16 Creditors

	2021 £	2020 £
Due within one year		
Trade creditors	2,619,663	3,530,688
Amounts due to group undertakings	338,898	119,495
Social security and other taxes	203,182	262,586
Other creditors	48,390	43,932
Accrued expenses	4,076,734	1,734,919
	<u>7,286,867</u>	<u>5,691,620</u>
Due after one year		
Deferred income	<u>6,948,598</u>	<u>-</u>

17 Provisions for liabilities

	Deferred tax £	Total £
At 1 January 2021	720,141	720,141
Provisions used	(38,957)	(38,957)
At 31 December 2021	<u>681,184</u>	<u>681,184</u>

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Notes to the Financial Statements for the Year Ended 31 December 2021

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £384,226 (2020 - £397,979).

Defined benefit plans

The company participates in a funded group wide scheme providing benefits based on final pensionable pay. There is no contracted agreement or policy for charging the net defined benefit cost to individual companies within the group. Therefore in accordance with FRS 102 paragraph 28.38 the net defined benefit cost for the year ended 31 December 2021 and the net benefit obligation at that date is recognised in the financial statements of the sponsoring employer, CLdN Ports Humber Limited.

19 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	20,947	20,947	20,947	20,947

There are no restrictions on the repayment of capital or the distribution of dividends.

CLDN PORTS KILLINGHOLME LIMITED (FORMERLY C.RO PORTS KILLINGHOLME LIMITED)

Notes to the Financial Statements for the Year Ended 31 December 2021

20 Commitments under operating leases

Operating leases

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	148,638	148,638
Later than one year and not later than five years	594,552	594,552
Later than five years	4,483,913	4,632,551
	5,227,103	5,375,741

The amount of non-cancellable operating lease payments recognised as an expense during the year was £148,838 (2020 - £147,072).

21 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £3,444,713 (2020 - £Nil).

22 Contingencies

The company has guaranteed the group bank loan facility. At 31 December 2021 an amount of £40,500,000 was due to the Bank. The guarantee is secured by a fixed and floating charge over the assets and undertakings of the company. No liability is expected to crystallise from this guarantee.

23 Related party transactions

In accordance with FRS102 paragraph 33.1A exemption is taken not to disclose transactions or amounts due between wholly owned group undertakings.

During the year financing was provided to the company under a group treasury facility by a company under common control. At 31 December 2021 an amount of £16,999,649 was due from this company (2020 - £14,172,921). During the year interest receivable amounted to £157,673 (2020 - £75,468).

24 Parent and ultimate parent undertaking

The company's immediate parent is CLdN Ports Humber Limited.

The ultimate parent is CLdN Links SA, incorporated in Luxembourg.

The parent of the smallest and largest group preparing group accounts incorporating the results of the company is CLdN Links SA, whose financial statements are available online from the Luxembourg Business Registers. The registered address of CLdN Links SA is 3-7 rue Schiller L-2519, Luxembourg.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.