

E D & F MAN TERMINALS UK LIMITED

(formerly Westway Terminals UK Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2013

Company Number: 03137807



E D & F MAN TERMINALS UK LIMITED (formerly Westway Terminals UK Limited)
Company Number: 03137807

Directors

P Holder
P A M Verhaar (resigned 1 April 2014)
G A Van Der Spek
J G Whyte (appointed 1 April 2014)

Company secretary

G A Bassey

Company registration number

03137807

Registered office

E D & F Man Terminals UK Limited
Cottons Centre
Hay's Lane
Greater London
SE1 2QE

Auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

Strategic Report

Principal activities, business review and future developments

On 30th January 2013 the company changed its name from Westway Terminals UK Limited to E D & F Man Terminals UK Limited. The principal activities are Storage and Blending of Liquid Products.

The Company's business activities, future developments and performance measurements are set out below.

The Company provides storage and blending of liquid products for third parties.

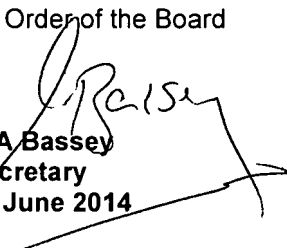
The directors consider the future prospects of the Company to be good.

The Company monitors performance on an on-going basis. The key performance indicator is considered to be profit after taxation.

Principal risks and uncertainties

The Company's business carries a number of risks and uncertainties including fluctuations in interest rates, counterparty risks, and operational risks which include freight, insurance and legal risks. The Company mitigates these risks by employing dedicated, in-house legal and insurance HSE professionals, and through the operation of the Company's risk function.

By Order of the Board



G A Bassey
Secretary
23 June 2014

Directors' Report

The directors present their report and financial statements for the 9 months ended 30 September 2013.

Results and dividends

The audited financial statements for the Company are shown on pages 6 to 15. The profit for the 9 months to 30 September 2013 after taxation amounted to £479,000 (12 months to 31 December 2012: £1,472,000).

On the 7 January 2013, the entire share capital of the Company was sold to Agman Investments Ltd. On 30 January 2013, the Company was renamed from Westway Terminals UK Ltd to E D & F Man Terminals UK Ltd. The year-end changed from December to September.

Prior to the Company's change of ownership a dividend in kind was paid of £6,828,000 (2012: Nil). The dividend mainly involved the assets and activities of two terminals, Liverpool (Regent Road) and Avonmouth.

The financial statements are prepared in pounds sterling as this is the currency in which the majority of the Company's trading transactions are denominated.

Financial risks and future developments

The Directors have chosen to include information on financial risks and future developments in their Strategic Report.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives continues at all levels, with the aim of ensuring their views are taken into account when decisions are made which are likely to affect their interests.

Donations

During the period Company made no political donations (2012 – nil).

Directors

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

P Holder	(appointed 7 January 2013)
P A M Verhaar	(appointed 7 January 2013)
G A Van Der Spek	(appointed 7 January 2013)

The directors who held office during the period and have now resigned are as follows:

E B van Holst	(resigned 22 January 2013)
C E McClain Jr.	(resigned 22 January 2013)
E L Mostertman	(resigned 22 January 2013)

Directors' Report (Continued)

Disclosure of information to auditors

To the best of the directors' knowledge, there is no relevant audit information of which the Company's auditors are unaware. The directors have also taken all reasonable steps in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are also aware of that information.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period that 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 those financial statements, the directors are required to:

- select suitable accounting policies that have been used and applied consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records that 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors confirm that they have complied with these requirements.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 3 to 4. The financial position of the Company, liquidity position and borrowing facilities are set out in the financial statements below.

The Company has sufficient financial resources and is expected to continue to generate positive cash flows. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.


Indemnity

During the period under review, the Company had in force an indemnity provision in favour of one or more of the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006.

Auditors

Ernst & Young LLP will be deemed re-appointed as the Company's auditor in accordance with section 487(2) Companies Act 2006.

By Order of the Board


G A Bassey
Secretary

Date: 23 June 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E D & F MAN TERMINALS UK LIMITED

We have audited the financial statements of E D & F Man Terminals UK Limited for the period ended 30 September 2013 which comprise Profit and Loss Account, the Balance Sheet, and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Statement of Directors' Responsibilities set out on page 4, 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, Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 30 September 2013 and of its profit for the period 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.

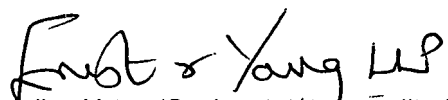
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Julian Yates (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

Date: 23 June 2014

Profit and Loss Account

For the 9 months to September 2013

		9 months to 31 December 2013	12 months to 31 December 2012
	Notes	£'000	£'000 £'000
Turnover	2		7,177
- continuing operations		2,625	4,152
- discontinued operations		-	3,025
Cost of sales			(1,015)
- continuing operations		(1,922)	(819)
- discontinued operations		-	(196)
Gross profit			6,162
- continuing operations		703	3,334
- discontinued operations		-	2,828
Operating expenses			(4,394)
- continuing operations		(24)	(2,704)
- discontinued operations		-	(1,690)
Operating profit	3	679	1,768
- continuing operations			630
- discontinued operations			1,138
Profit on ordinary activities before interest and taxation		679	1,768
Interest receivable	6	2	35
Profit on ordinary activities before taxation		681	1,803
Taxation	7	(202)	(331)
Profit for the period		479	1,472

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

Historical cost profits and losses are not materially different from those shown above.

Balance Sheet

At 30 September 2013

	Note	30 September 2013 £'000	31 December 2012 £'000
Fixed assets			
Tangible fixed assets	8	2,117	4,315
Current assets			
Stocks		-	59
Debtors	9	1,896	4,553
Cash at bank and in hand		1	1,589
		<u>1,897</u>	<u>6,201</u>
Creditors: amounts falling due within one year	10	<u>(1,421)</u>	<u>(1,218)</u>
Net current assets		<u>476</u>	<u>4,983</u>
Total assets less current liabilities		2,593	9,298
Provision for deferred tax	12	<u>(76)</u>	<u>(432)</u>
Net assets		<u>2,517</u>	<u>8,866</u>
Capital and Reserves			
Called up share capital	13	1,601	1,601
Profit and loss account	14	<u>916</u>	<u>7,265</u>
Shareholders' funds	15	<u>2,517</u>	<u>8,866</u>

The financial statements on pages 6 to 15 were approved by the Board on 23 June 2014 and were signed on its behalf by:



P. Holder
Director

Notes to the Financial Statements

1. Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards.

Cash flow statement

The Company is a wholly owned subsidiary undertaking of a parent, E D & F Man Holdings Limited, which produces a consolidated cash flow statement in accordance with Financial Reporting Standard 1 (Revised) (FRS 1). Consequently the Company has taken advantage of the exemption in FRS 1 from preparing a cash flow statement.

Turnover

Turnover, all of which arises from continuing operations within the UK, represents amounts invoiced by the company in respects of goods, services and commissions, excluding value added tax.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or an average rate for the period. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Trade and other debtors

Trade and other debtors are carried at the original invoice amount, less allowance for credit losses. Provision is made when there is objective evidence that the Company will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Trade and other creditors

Trade and other creditors are carried at payment or settlement amounts. If the effect of the time value of money is material, trade and other creditors are determined by discounting the expected future cash flows at a pre-tax rate.

Pensions

Certain of the Company's employees are members of a defined contribution occupational pension scheme, administered by the Company's ultimate parent undertaking, E D & F Man Holdings Limited.

Company contributions are charged to the profit and loss account when they become payable.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation..

Depreciation is provided on a straight line basis to write off tangible fixed assets over their useful economic lives. The rates used are as follows:

Leasehold buildings:	25 years;
Equipment and production plant:	3 to 30 years;
Computer equipment:	4 years

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Impairment

The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is provided for in the current year profit and loss account when the carrying value of the asset exceeds its estimated recoverable amount. The estimated recoverable amount is defined as the higher of the net realisable value and value in use. The value in use is determined by reference to estimated future discounted cash flows.

Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exceptions:

- a) Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- b) Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deduct

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leases

Operating lease rentals are charged to the profit and loss account over the term of the lease on a straight line basis.

Notes to the Financial Statements (continued)

2. Turnover

Turnover for the period ended 30 September 2013 was £2,625,000 (12 months to 30 December 2012: £7,177,000). Turnover represents the amounts derived from the provision of goods and services which fall within the company's activities, stated net of value added tax

3. Operating profit

Operating profit is stated after charging:

	9 months to 30 September 2013 £'000	12 months to 30 December 2012 £'000
Depreciation of owned tangible fixed assets	270	780
Auditors' remuneration - audit services – UK	22	23
Operating lease rentals -Company cars	15	-
-Plant and machinery	57	21
-Land and buildings	147	414
	<hr/>	<hr/>

4. Staff costs

	9 months 30 September 2013 £'000	12 months to 31 December 2012 £'000
Wages and salaries	448	981
Social security costs	39	142
Pension costs	34	60
	<hr/>	<hr/>
	521	1,183
	<hr/>	<hr/>

	9 months to 30 September 2013 Number	12 months to 31 December 2012 Number
The average monthly number of employees during the period, including directors, was:	<hr/>	<hr/>
	22	31
	<hr/>	<hr/>

All staff whose costs are disclosed above are employees of a fellow group company, Agman Holdings Limited. As they all perform duties solely for E D & F Man Terminals UK Limited the staff costs figures represent recharges received from Agman Holdings Limited.

Notes to the Financial Statements (continued)

5. Directors' Emoluments

	9 months to 30 September 2013 £'000	12 months to 31 December 2012 £'000
Emoluments	25	-
Amounts charged in respect of pension schemes	-	-
	<u>25</u>	<u>-</u>
	9 months to 30 September 2013 Number	12 months to 31 December 2012 Number
Members of money purchase schemes	-	-

P Holder received remuneration from E D & F Man Liquid Products UK Limited, a fellow member of the group whose ultimate parent company is E D & F Man Holdings Limited. A portion of this remuneration was charged to the Company based on an allocation of time spent performing services on behalf of the Company. There were no charges relating to directors' remuneration in the prior year as the previous Directors received no remuneration due to the minimal amount of services performed on behalf of the entity.

6. Net interest receivable and similar charges

	9 months to 30 September 2013 £'000	12 months to 31 December 2012 £'000
Interest receivable on:		
- loans from group undertakings	<u>2</u>	<u>35</u>

7. Tax on profit on ordinary activities

(a) Tax on ordinary activities

	9 months to 30 September 2013 £'000	12 months to 30 December 2012 £'000
UK corporation tax at 23.33% (2012: 24.50%)	217	515
Prior year adjustment	17	13
Total current taxation	<u>234</u>	<u>528</u>
Deferred taxation :		
Origination and reversal of timing differences	(32)	(197)
	<u>202</u>	<u>331</u>

Notes to the Financial Statements (continued)

7. Tax on profit on ordinary activities (continued)

(a) Tax on ordinary activities (continued)

	9 months to 30 September 2013 £'000	12 months to 30 December 2012 £'000
Reconciliation of the taxation charge:		
Profit before tax	681	1,803
Charge at UK tax rate of 23.33% (2012: 24.50%)	159	442
Capital allowances lower than depreciation	57	68
Expenses not deductible for tax purposes	1	5
Prior year adjustment	17	13
Total current taxation	234	528

(b) Factors that may affect future tax charges

During the period, Finance Act 2013 was enacted and included legislation to reduce the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015. As these rates were substantively enacted at the balance sheet date, deferred tax is recognised at the rate applying to the period in which the timing differences are expected to reverse.

8. Tangible fixed assets

	Land & Buildings Leasehold £'000	Equipment & Vehicles £'000	Total £'000
Cost			
At 1 January 2013	1,128	12,880	14,008
Additions: Projects under construction	-	116	116
Disposals	(894)	(6,370)	(7,264)
At 30 September 2013	234	6,626	6,860
Accumulated depreciation			
At 1 January 2013	822	8,871	9,693
Charge for the year	3	267	270
Disposals	(607)	(4,613)	(5,220)
At 30 September 2013	218	4,525	4,743
Net book value			
At 30 September 2013	16	2,101	2,117
At 1 January 2013	306	4,009	4,315

The net book value of leasehold properties includes £nil (2012 - £305,644) in respect of leases with less than 50 years to run.

Notes to the Financial Statements (continued)

9. Debtors

	30 September 2013 £'000	31 December 2012 £'000
Amounts falling due within one year		
Trade debtors	294	197
Amount owed by group undertakings	1,130	3,057
Amounts from related parties	255	1,086
VAT	15	-
Prepayments	202	213
	<u>1,896</u>	<u>4,553</u>

10. Creditors – amounts falling due within one year

	30 September 2013 £'000	31 December 2012 £'000
Amounts falling due within one year		
Trade creditors	398	195
Amounts due to group undertakings	55	181
Corporation tax	502	268
Other taxation and social security	20	300
Accruals and deferred income	446	275
	<u>1,421</u>	<u>1,219</u>

11. Financial commitments

	<i>Plant, Machinery and Cars</i>		<i>Land and Buildings</i>	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Operating leases				
Annual commitments at 30 September expiring:				
Within one year	47	23	-	290
Between two and five years	5	4	-	1,160
After five years	-	-	199	563
	<u>52</u>	<u>27</u>	<u>199</u>	<u>2,013</u>

12. Provisions for liabilities and charges

	Deferred Taxation 2013 £'000	Deferred Taxation 2012 £'000
At 1 January 2013	432	629
Origination and reversal of timing differences	(32)	(197)
Disposal	(324)	-
At 30 September 2013	<u>76</u>	<u>432</u>
Analysis of deferred taxation	2013 £'000	2012 £'000
In respect of tax allowances over depreciation	76	432

76	432
----	-----

Notes to the Financial Statements (continued)

13. Share Capital

	Issued and Fully paid Number	£'000
Ordinary shares of £1 each Attributable to equity interests		
At 1 January 2013 and 30 September 2013	1,601,000	1,601

14. Reserves

	Profit and Loss
	£'000
At 1 January 2013	7,265
Profit for the period	479
Dividends paid	(6,828)
At 30 September 2013	<u>916</u>

During the period, on 7 January 2013, the entire share capital of the Company was acquired by Agman Investments Limited. Immediately prior to the sale, a dividend in kind of £6,828,000 was transferred to the immediate parent undertaking, Westway Holdings UK Ltd. The dividend mainly involved the assets and activities of two terminals, Liverpool Regents Road and Avonmouth.

15. Reconciliation of movements in equity shareholders' funds

	9 months to 30 September 2013 £'000	12 months to 31 December 2012 £'000
Opening equity shareholders' funds	8,866	7,394
Profit for the year	479	1,472
Dividends paid	(6,828)	-
Closing equity shareholders' funds	<u>2,517</u>	<u>8,866</u>

Notes to the Financial Statements (continued)

16. Related party transactions

The Company is a wholly owned subsidiary undertaking of a parent, E D & F Man Holdings Limited. Consequently the Company has taken advantage of the exemption in FRS 8 'Related Party Transactions' not to disclose related party transactions with other wholly owned members of the E D & F Man Holdings Limited group.

Prior to the change of ownership on 7 January 2013, the company was a wholly owned subsidiary of Westway Group Inc and has taken advantage of the exemption in FRS 8 'Related Party Transactions' not to disclose related party transactions with other wholly owned members of the group. Immediately prior to the entire share capital of the Company being acquired by Agman Investments Limited on 7 January 2013, the Company paid a dividend of £6,828,000 to Westway Holdings Limited, which was its immediate parent undertaking at the time.

17. Ultimate parent undertaking

Previously owned by Westway Holdings UK Ltd, on 7th January 2013 the Company was acquired by Agman Investments Limited.

The immediate parent company is Agman Investments Limited and the ultimate parent undertaking is E D & F Man Holdings Limited, a company registered in England and Wales. The consolidated financial statements of E D & F Man Holdings Limited are available from:

E D & F Man Holdings Limited
Cottons Centre
Hay's Lane
London SE1 2QE

The smallest group of undertakings of which the Company is a member that draws up group financial statements is that of E D & F Man Holdings Limited.