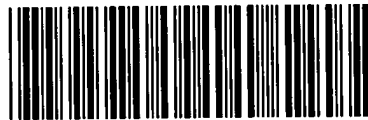


Mir Trade Services Limited
Directors' Report and Financial Statements
Registered number 07858341
31 May 2022

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Contents

| | |
|---|---|
| Directors' Report | 1 |
| Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements | 2 |
| Statement of Profit and Loss and Other Comprehensive Income | 3 |
| Balance Sheet | 4 |
| Statement of Changes in Equity | 5 |
| Cash Flow Statement | 6 |
| Notes | 7 |

Directors' Report

The directors present their Directors' Report and the financial statements for the year ended 31 May 2022.

Principal activities and business review

The Company is a joint venture between Hargreaves Services plc and Mir Trade AG. The Company's principal activity was handling, blending and trading of coal and carbon products. During the current or previous financial year, the company had no trading activity therefore the company made neither a profit nor a loss.

Risks and uncertainties

The risks and uncertainties facing the company are inherently linked to those of the Hargreaves Services group. The principal risks and uncertainties of the group which includes those of this company are discussed in detail in the 'Statement of risks relating to the group's business' in the financial review in the group financial statements.

Proposed dividend

The directors do not recommend the payment of a dividend (2021: \$nil).

Directors

The directors who held office during the year and up to the date of this report were as follows:

V Rybak
GFC Banham

Small company exemption

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

By order of the board



GFC Banham
Director

West Terrace
Esh Winning
Co Durham
DH7 9PT

27 September 2022

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- 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 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.

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.

Statement of Profit and Loss and Other Comprehensive Income
for the year ended 31 May 2022

During the current and previous financial years the company received no income and incurred no expenditure. Consequently, in these years the company made neither a profit nor a loss and had no other comprehensive income.

Balance Sheet

at 31 May 2022

| | <i>Note</i> | 2022 \$000 | 2021 \$000 |
|-----------------------------|-------------|-----------------------------|---------------|
| Non-current assets | | | |
| Deferred tax assets | 3 | - | - |
| Current assets | | | |
| Trade and other receivables | 4 | 170 | 170 |
| Cash and cash equivalents | | - | - |
| | | 170 | 170 |
| Net assets | | 170 | 170 |
| Equity | | | |
| Share capital | 6 | 155 | 155 |
| Retained earnings | | 15 | 15 |
| Total equity | | 170 | 170 |

Statement by the directors under section 480 of the Companies Act 2006

The directors:

- (a) confirm that the company was entitled to exemption under subsection (1) and (2) of section 480 of the Companies Act 2006, relating to dormant companies, from the requirement to have its financial statements for the financial year ended 31 May 2022 audited;
- (b) confirm that members have not required the company to obtain an audit of its financial statements for that financial year in accordance with section 476 of the Companies Act 2006;
- (c) acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006, and
 - (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 393 and 394 of the Companies Act 2006, and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the company.

These financial statements on pages 3 to 12 were approved by the board of directors on 27 September 2022 and were signed on its behalf by:



GFC Banham
Director

Registered number: 07858341

Statement of Changes in Equity

| | Share capital \$000 | Retained earnings \$000 | Total equity \$000 |
|---|---------------------------|-------------------------------|--------------------------|
| Balance at 1 June 2020, 31 May 2021, 1 June 2021 and 31 May 2022 | 155 | 15 | 170 |

Cash Flow Statement
for the year ended 31 May 2022

| | 2022 | 2021 |
|---|--------------|--------------|
| | \$000 | \$000 |
| Cash flows from operating activities | | |
| Result for the year | - | - |
| Adjustments for: | | |
| Taxation | - | - |
| | <hr/> | <hr/> |
| Decrease in trade and other receivables | - | - |
| Decrease in trade and other payables | - | - |
| | <hr/> | <hr/> |
| Net cash from operating activities | - | - |
| | <hr/> | <hr/> |
| Cash flows from financing activities | | |
| Dividends paid | - | - |
| | <hr/> | <hr/> |
| Net cash from financing activities | - | - |
| | <hr/> | <hr/> |
| Net decrease in cash and cash equivalents | - | - |
| Cash and cash equivalents at 1 June | - | - |
| | <hr/> | <hr/> |
| Cash and cash equivalents at 31 May | - | - |
| | <hr/> | <hr/> |

Notes

(forming part of the financial statements)

1 Accounting policies

Mir Trade Services Limited (the "Company") is a private company limited by shares and is incorporated, domiciled and registered in England, within the UK. The registered address is West Terrace, Esh Winning, Durham, DH7 9PT.

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

New standards, interpretations and amendments effective

None of the standards, interpretations and amendments effective for the first time from 1 June 2021 have had a material effect on the financial statements.

There are no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

The financial statements are presented in US dollars and the US dollar is the Company's functional currency. At 31 May 2022 the exchange rate to Sterling used was \$1.2601: £1 (2021: \$1.4176:£1).

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The current economic and market conditions continue to create an element of uncertainty over demand for the company's products but the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to have a sufficient level of financial resources available through its existing cash reserves and operating cashflows. As a result, the directors believe that the company is well placed to manage its business risks successfully despite the economic uncertainty. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. The finance cost on the financial liability component is correspondingly higher over the life of the instrument.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company (continued)

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Financial Instruments

Financial Assets

Financial assets classified as "loans and receivables" under IAS 39 (being trade and other receivables) are now to be classified within the "amortised cost" category according to IFRS 9.

The Company classifies financial assets under the following measurement categories:

- Measured at amortised cost (non-derivative financial assets);
- Measured subsequently at fair value through either profit or loss or comprehensive income.

Non-derivative financial assets

Non-derivative financial assets include trade and other receivables and contract assets, as defined by IFRS 15. Neither of these two categories contain a significant financing element and, as such, expected credit losses are measured under IFRS 9 using the simplified impairment approach. This approach requires expected lifetime losses to be recognised upon the initial recognition of the asset.

At initial recognition, the Company measures a non-derivative financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The Company subsequently measures trade and other receivables and contract receivables at amortised cost.

Non-Financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Income Statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors. These are initially recognised at fair value and subsequently measured at amortised cost.

Intra-Group Financial Instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Notes *(continued)*

1 **Accounting policies** *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

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.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Taxation

Tax on the profit or loss for the period comprises both current and deferred tax. Tax is recognised in the profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Tax on the profit or loss for the period comprises both current and deferred tax. Tax is recognised in the profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes (continued)

2 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

| | Number of employees | |
|-----------|---------------------|------|
| | 2022 | 2021 |
| Directors | 2 | 2 |

The directors did not receive any remuneration for their services to the company.

3 Deferred taxation

Recognised deferred tax assets and liabilities are attributable to the following:

| | Assets | | Liabilities | | Net | |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Tax value of loss carry forwards | - | - | - | - | - | - |

Movement in deferred tax during the year:

| | 31 May 2021 \$000 | Recognised in income \$000 | Recognised in equity \$000 | 31 May 2022 \$000 |
|----------------------------------|-------------------------|----------------------------------|----------------------------------|-------------------------|
| Tax value of loss carry forwards | - | - | - | - |

Movement in deferred tax during the prior year:

| | 31 May 2020 \$000 | Recognised in income \$000 | Recognised in equity \$000 | 31 May 2021 \$000 |
|----------------------------------|-------------------------|----------------------------------|----------------------------------|-------------------------|
| Tax value of loss carry forwards | - | - | - | - |

The notional unrecognised deferred taxation asset of the company is \$19,000 (2021: *unrecognised deferred taxation asset \$19,000*). This relates to accumulated tax losses and the decision has been taken not to provide for this in the current year within these financial statements since the company has currently ceased trading and it is not expected that there will be future profits against which to recover it.

Notes (continued)

4 Trade and other receivables

| | 2022 \$000 | 2021 \$000 |
|--------------------------------------|---------------|---------------|
| Amounts owed by related undertakings | 155 | 155 |
| Corporation tax | 15 | 15 |
| | <hr/> 170 | <hr/> 170 |
| Non-current | - | - |
| Current | <hr/> 170 | <hr/> 170 |

At 31 May 2022 there were no allowances made for bad debts (2021: \$nil). Management have no indication that any unimpaired amounts are irrecoverable and no amounts are past due.

All balances relate to customers within the European Union.

5 Financial instruments

The Company's principal financial instruments comprise short and long-term receivables and cash. The Company does not hold any financial instruments or derivative financial instruments in the form of forward rate agreements and forward foreign currency contracts.

(a) Credit Risk

Financial Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company's risk is influenced by the nature of its customers. New customers are analysed for creditworthiness before the Company's standard payment terms and conditions are offered and appropriate credit limits set.

Exposure to Credit Risk

The carrying amount of amounts due from related undertakings represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was \$155,000 (2021: \$155,000).

(a) Liquidity risk

Financial Risk Management

Liquidity risk is the risk that the Company will not be able to access the necessary funds to finance their operations however as the Company has currently ceased trading and is in a net assets position this is not considered to be relevant.

(c) Market Risk

Financial Risk Management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity prices will affect the Company's income, however as the company has currently ceased trading this is not considered to be relevant.

Foreign Currency Risk

All assets and liabilities are denominated in dollars and therefore there is minimal exposure to foreign currency risk.

(d) Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern, whilst maximising the return to shareholders. The capital structure of the Company consists of equity attributable to equity holders of the parent, comprising capital, reserves and retained earnings.

There are no externally imposed capital requirements.

Notes (continued)

6 Share capital

| | 2022 \$ | 2021 \$ |
|--|----------------|----------------|
| <i>Allotted, called up and fully paid</i> | | |
| 50,000 (2021: 50,000) A Ordinary shares of £1 each | 77,350 | 77,350 |
| 50,000 (2021: 50,000) B Ordinary shares of £1 each | 77,350 | 77,350 |
| | <u>154,700</u> | <u>154,700</u> |

The A and B ordinary shares rank equally in all respects.

7 Related party disclosures

The Company is owned 50% by Hargreaves Services plc and 50% owned Mir Trade AG. During the current year the company had no trade with members of the group headed by Hargreaves Services plc or MIR AG. The balances outstanding at each year end and the prior year the trade were as follows:

| | 2022 | | | Balance outstanding debtor/ (creditor) \$000 |
|-------------------------|---------------------------------|----------------------------|----------------------|--|
| | Interest payable to \$000 | Purchases from \$000 | Sales to \$000 | |
| Hargreaves Services plc | - | - | - | 77 |
| Mir Trade AG | - | - | - | 78 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

| | 2021 | | | Balance outstanding debtor/ (creditor) \$000 |
|-------------------------|---------------------------------|----------------------------|----------------------|--|
| | Interest payable to \$000 | Purchases from \$000 | Sales to \$000 | |
| Hargreaves Services plc | - | - | - | 77 |
| Mir Trade AG | - | - | - | 78 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

8 Ultimate parent undertaking

The Company is owned 50% by Hargreaves Services plc and 50% by MIR Trade AG and therefore the Company's directors do not consider there to be an ultimate controlling party.

The consolidated financial statements of Hargreaves Services plc are available to the public and may be obtained from their registered address West Terrace, Esh Winning, Durham, DH7 9PT.

MIR Trade AG has a registered address at Alte Haslenstrasse 5, 9053 Teufen, Switzerland.