

Registered number: SC192142

COMPANIES HOUSE  
30 SEP 2022  
EDINBURGH MAILBOX

**RAVENSCRAIG LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**



**RAVENS CRAIG LIMITED**

**COMPANY INFORMATION**

**Directors**

D W Borland  
N W Davies (resigned 30 June 2022)  
D McLeod  
A R Pickford  
E V Lambert (appointed 1 June 2021)  
J Robertson (appointed 1 September 2021)  
R J Wilkie (appointed 1 September 2021)  
G J Williamson (appointed 1 September 2021)  
M C Wright (appointed 1 September 2021)  
N D Young  
D L Colquhoun (resigned 1 September 2021)  
M J Davies (resigned 1 June 2021)  
L Jackson (resigned 1 September 2021)  
J A McQuade (resigned 1 September 2021)

**Company secretary**

Brodies Secretarial Services Limited

**Registered number**

SC192142

**Registered office**

c/o Brodies LLP  
Capital Square  
58 Morrison Street  
Edinburgh  
EH3 8BP

**Trading Address**

Barratt Scotland  
Telford House  
3 Mid New Cultins  
Edinburgh  
EH11 4DH

**Independent auditors**

Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
Level 8, 110 Queen Street  
Glasgow  
G1 3BX

**RAVENS CRAIG LIMITED**

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**RAVENS CRAIG LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their annual report, together with the audited financial statements for the year ended 31 December 2021.

**Principal activity**

The company's main activity during the year was land development.

**Business review**

The directors consider the period's results to be satisfactory given current trading conditions. The profit for the year amounted to £nil (2020: profit £45k), which was transferred to reserves. Net assets of £25k are in line with the prior year.

After a review of the first phase of the whole scheme and likely sales, an impairment review was carried out. A resulting charge in the Statement of Comprehensive Income of £0.1m (2020: £0.3m) was recognised against the value of the work in progress apportioned against this phase in the year to 31 December 2021. A subsequent review of the repayment of shareholder loans was carried out and a £0.2m credit was recognised in the Statement of Comprehensive Income against the loan creditor (2020: £0.5m credit).

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

Planning approval was granted in September 2021 for the Ravenscraig Access Infrastructure project which will create new and improved transport infrastructure connecting Ravenscraig north to the M8 and south to Motherwell and the M74. Glasgow City Region Deal and North Lanarkshire Council have committed £127m of funding to this project which will directly benefit Ravenscraig and the surrounding area.

Works continued on the £4m Employment Land Spine Road throughout 2021 which provides fully serviced access to the first phase of the development covering 31 net acres of Class 4, 5 and 6 business use.

The following planning applications for proposed development within Ravenscraig were submitted to North Lanarkshire Council throughout 2021:

- Rail Freight Terminal and Distribution Centre to land adjacent to the Wishaw Deviation Line.
- 24 affordable housing units to land south of Ravenscliff Road.
- Active Travel Links connecting Craigneuk to the Regional Sports Facility and New Lanarkshire College.

**RAVENS CRAIG LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Directors**

The directors who served during the year were:

D W Borland  
N W Davies (resigned 30 June 2022)  
D McLeod  
A R Pickford  
E V Lambert (appointed 1 June 2021)  
J Robertson (appointed 1 September 2021)  
R J Wilkie (appointed 1 September 2021)  
G J Williamson (appointed 1 September 2021)  
M C Wright (appointed 1 September 2021)  
N D Young  
D L Colquhoun (resigned 1 September 2021)  
M J Davies (resigned 1 June 2021)  
L Jackson (resigned 1 September 2021)  
J A McQuade (resigned 1 September 2021)

None of the directors have any beneficial interest in the company.

**Directors' responsibilities statement**

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

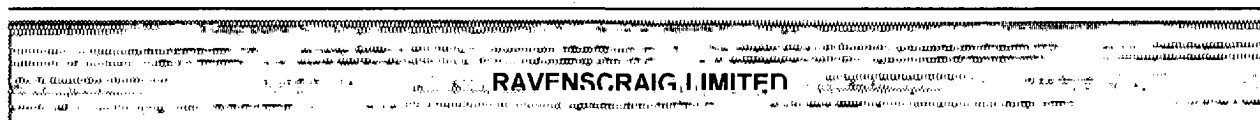
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.



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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Going concern**

Funding for the company's activities is provided by way of loans from each of the joint venture partners. The nature of the joint venture agreement is such that repayment of the loans will only be made when the company has generated sufficient funds through the sale of land. The directors have considered the Company's whole-scheme forecasts and funding requirements, and the principal risks and uncertainties which may impact on the performance of the Company together with their mitigation.

After making these enquiries, the joint venture partners have a reasonable expectation that the development and disposal of all available land will generate a profit and, as a consequence, the Company will continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

**Supplier payment policy**

The company's policy with regard to the payment of suppliers is to advise suppliers when placing orders of the Company's payment terms, or alternatively, to agree payment terms prior to order. It is policy to pay in accordance with agreed arrangements that, within the industry, include the evaluation by surveyors of the value of work completed and retentions for remedial works.

The company's trade creditor days for the year were 8 days (2020: 11 days) based on the ratio of the Company's trade creditors at the end of the year to the amounts invoiced during the year.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

**Auditor**

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

**Small companies note**

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

This report was approved by the board on 29 September 2022 and signed on its behalf.

*Donald Borland*

D W Borland  
Director

**RAVENS CRAIG LIMITED****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAVENS CRAIG LIMITED****Opinion**

We have audited the financial statements of Ravenscraig Limited (the 'company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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 financial statements are authorised for issue.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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**RAVENS CRAIG LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAVENS CRAIG LIMITED**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement, 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.

## RAVENS CRAIG LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAVENS CRAIG LIMITED

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK.
- In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to The Scottish Environment Protection Agency (SEPA).
- We assessed the susceptibility of Ravenscraig Limited financial statements to material misstatement, including how fraud might occur and the risk of management override of controls, by meeting with management to understand where management considered there was a susceptibility to fraud.
- Audit procedures performed by the engagement team included:
  - We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected, or alleged fraud;
  - Identifying and assessing the design effectiveness of the controls management has in place to address the risks related to irregularities and fraud;
  - Challenging assumptions and judgements made by management in its significant accounting estimates;
  - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
  - Identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed noncompliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

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**RAVENS CRAIG LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAVENS CRAIG LIMITED**

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- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
- knowledge of the industry in which the client operates;
- understanding of the legal and regulatory requirements specific to the entity, including the provisions of the applicable legislation, the regulators rules and related guidance.
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the entity's operations, including the nature of its income sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
  - the entity's control environment, including managements knowledge of relevant law and regulations and how it is complying with those laws and regulations;
  - the adequacy of procedures for authorisation of transactions.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

Lorraine Macphail (Senior statutory auditor)

for and on behalf of  
**Grant Thornton UK LLP**

Statutory Auditor  
Chartered Accountants  
Level 8, 110 Queen Street  
Glasgow  
G1 3BX

29 September 2022

RAVENS CRAIG LIMITED
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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Note	2021 £000	2020 £000
Impairment of WIP		(67)	(300)
<b>Gross loss</b>		<b>(67)</b>	<b>(300)</b>
Administrative expenses		(330)	(250)
Other operating income	4	111	85
Other operating charges		(583)	(302)
<b>Operating loss</b>		<b>(869)</b>	<b>(767)</b>
Income from other current asset investments	11	923	587
Fair value adjustment of shareholder loans	20	203	484
<b>Profit before tax</b>		<b>257</b>	<b>304</b>
Tax on profit	7	(257)	(259)
<b>Profit for the financial year being total comprehensive income</b>		<b>-</b>	<b>45</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 12 to 25 form part of these financial statements.

All activities relate to continuing operations.

**RAVENS CRAIG LIMITED**  
**REGISTERED NUMBER: SC192142**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	8	18	-
		<u>18</u>	<u>-</u>
<b>Current assets</b>			
Stocks	9	32,696	31,753
Debtors: amounts falling due within one year	10	39	52
Current asset investments	11	10,925	10,027
Cash at bank and in hand	12	4,459	6,210
		<u>48,119</u>	<u>48,042</u>
Creditors: amounts falling due within one year	13	(7,031)	(6,561)
<b>Net current assets</b>		<u>41,088</u>	<u>41,481</u>
<b>Total assets less current liabilities</b>		<u>41,106</u>	<u>41,481</u>
Creditors: amounts falling due after more than one year	14	(35,531)	(35,734)
<b>Provisions for liabilities</b>			
Other provisions	17	(5,550)	(5,722)
		<u>(5,550)</u>	<u>(5,722)</u>
<b>Net assets</b>		<u>25</u>	<u>25</u>
<b>Capital and reserves</b>			
Profit and loss account		25	25
		<u>25</u>	<u>25</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2022.

*Donald Borland*  
D W Borland  
Director

*Russell Wilkie*  
R J Wilkie  
Director

The notes on pages 12 to 25 form part of these financial statements.

**RAVENS CRAIG LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
<b>At 1 January 2020</b>	<b>(20)</b>	<b>(20)</b>
<b>Comprehensive income for the year</b>		
Profit for the year	45	45
<b>Total comprehensive income for the year</b>	<b>45</b>	<b>45</b>
<b>At 1 January 2021</b>	<b>25</b>	<b>25</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2021</b>	<b>25</b>	<b>25</b>

The notes on pages 12 to 25 form part of these financial statements.

# RAVENS CRAIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 1. General information

Ravenscraig Limited is a private company limited by shares and registered in Scotland. Registered number SC192142. Its registered head office is located at c/o Brodies LLP, Capital Square, 58 Morrison Street, Edinburgh, EH3 8HA with effect from 15 March 2022. The nature of the company's operations and its principle activities are set out in the directors' report on page 2.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Going concern

Funding for the company's activities is provided by the way of loans from each of the joint venture partners. The nature of the joint venture is such that repayment of the loans will only be made when the company has generated sufficient funds through the sale of land. The joint venture partners have considered the company's whole-scheme forecasts and funding requirements, and the principal risks and uncertainties which may impact on the performance of the Company together with their mitigation.

#### 2.3 Revenue

Revenue is recognised to the extent that it is possible that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the total amount receivable by the company for the development land sold excluding VAT. Income from the sale of development land is recognised when the transaction is complete.

#### 2.4 Stocks

Stocks, including land held for development are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

Development work in progress is valued at the lower of cost and net realisable value less progress payments received and receivable.

At each accounting date, stocks are assessed for impairment. If stock is impaired, the carrying value amount is reduced to its estimated selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

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**RAVENS CRAIG LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

<b>RAVENS CRAIG LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.7 Financial instruments**

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

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms of financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at amortised cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discounted rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Non basic financial instruments, relating to shareholder loans, are initially recognised at fair value and are subsequently remeasured at their fair value at each balance sheet date. Changes in fair value are recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a basis or to realise the asset and settle the liability simultaneously.

**2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**RAVENSCRAIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****2. Accounting policies (continued)****2.9 Deficit funding**

Public sector funding contributions towards the cost of delivering infrastructure are, in accordance with FRS102, credited against the costs incurred in work in progress and released to the Statement of Comprehensive Income when work in progress is charged to cost of sales.

**2.10 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Investments**

The initial investment of the funds received as a result of the insurance claim relating to the environmental monitoring costs is done on a fair value basis and is subsequently remeasured at each balance sheet date to fair value with any gains or losses recognised in the Statement of Comprehensive Income.

**2.12 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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**RAVENS CRAIG LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.13 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# RAVENS CRAIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

In the application of the company's accounting policies, as described in note 2, the directors and management are required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year end date, and the amounts reported for revenues and expenses during the year.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in future periods should it affect future periods.

The ordinary judgement and estimates are those as detailed in Note 2.

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

- Fair value of shareholder loans - the fair value assessment of shareholder loans is carried out annually with reference to the net asset position of the entity.
- The carrying value of the current development land balance at the lower of cost and net realisable value and consideration of any potential impairment of the site on an annual basis.
- The carrying value of the provision in relation to environmental remediation, held at the value of the directors' future estimated cash flows until the obligations are fulfilled.

The remaining land at the Ravenscraig site represents some 500 acres of development land which will be developed in a number of phases. The Directors estimate that the timeframe over which the site will be fully developed is in the region of 30 years. In considering the net realisable value of the land, the Directors take into account the estimated selling price of the phase under current development and the current intentions in relation to the remainder of the site as set out in the Masterplan. The recoverability of land and work in progress for phase 1 of the project is assessed annually and an impairment has been made (see note 9). Given the nature of this site there are inherent uncertainties surrounding what the final profitability will be but in the absence of any evidence to the contrary the Directors consider the land attributed to the remaining phases will be recovered in full.

As further detailed at Note 17, the environmental monitoring provision represents the director's best estimate of costs required to disburse the obligation in relation to groundwater maintenance and monitoring. The directors continue to assess the costs required to ensure environmental obligations are met and adjust the provision accordingly.

### 4. Other operating income

	2021 £000	2020 £000
Rent receivable	111	85
	<u>111</u>	<u>85</u>

# RAVENS CRAIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 5. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	19	15
Fees payable to the company's auditor and its associates in respect of all other services	3	4
	<u>22</u>	<u>19</u>

### 6. Employees

The average monthly number of employees, including directors, during the year was 0 (2021 - 0).

The Directors of the Company have not been remunerated in the year.

### 7. Taxation

	2021 £000	2020 £000
<b>Corporation tax</b>		
Current tax on non-trading profits for the year	9	112
Adjustments in respect of previous periods	1	44
<b>Total current tax</b>	<u>10</u>	<u>156</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	247	152
Adjustments in respect of previous periods	-	(33)
Effect of tax rate change on opening balance	-	(16)
<b>Total deferred tax</b>	<u>247</u>	<u>103</u>
<b>Taxation on profit on ordinary activities</b>	<u>257</u>	<u>259</u>

# RAVENS CRAIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 7. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	257	304
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	49	58
<b>Effects of:</b>		
Deferred tax not recognised	331	206
Adjustments to tax charge in respect of prior periods	1	44
Adjustments to tax in respect of prior periods-deferred tax	-	(33)
Non-taxable income	(54)	-
Remeasurement of deferred tax for changes in tax rates	(70)	(16)
<b>Total tax charge for the year</b>	<b>257</b>	<b>259</b>

The cumulative tax losses are £7,948,865 (2020: £8,432,355).

#### Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced an increase in the corporation tax main rate from 19% to 25% for companies with profits over £250,000 together with the introduction of a small profit rate of 19% with effect from 1 April 2023. The small profits rate will apply to companies with profits of not more than £50,000 with marginal relief available for profits up to £250,000.

**RAVENS CRAIG LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. Tangible fixed assets**

	Vehicles Plant and Equipment £000
<b>Cost or valuation</b>	
Additions	21
At 31 December 2021	<u>21</u>
<b>Depreciation</b>	
Charge for the year on owned assets	3
At 31 December 2021	<u>3</u>
<b>Net book value</b>	
At 31 December 2021	<u><u>18</u></u>
At 31 December 2020	<u><u>-</u></u>

**9. Stocks**

	2021 £000	2020 £000
Land	17,010	17,010
Work in progress	21,920	20,910
Impairment	(6,234)	(6,167)
	<u><u>32,696</u></u>	<u><u>31,753</u></u>

An annual review of the recoverability of work in progress during phase 1 of the project has been undertaken, which has resulted in an additional impairment charge of £67,000 (2020: £300,000) being recognised in the year ended 31st December 2021. Phase 1 remaining land and work in progress represents £1,859,000 of the £32,696,000. The calculations assume a phase 1 cost to complete of £4,700,000 (2020: £4,700,000) which is accrued within work in progress. The £6,234,000 impairment all relates to phase 1.

The annual review of land and work in progress stock value also includes future phases. Given the nature of this site there are inherent uncertainties surrounding what the future profitability will be, but in the absence of any evidence to the contrary the directors consider the land and work in progress attributed to the remaining phases will be recovered in full.

# RAVENS CRAIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 10. Debtors

	2021 £000	2020 £000
<b>Amounts falling due within one year:</b>		
Trade debtors	11	10
Other debtors	21	37
Prepayments and accrued income	7	5
	<u>39</u>	<u>52</u>

### 11. Current asset investments

	2021 £000	2020 £000
Pooled investment funds	10,925	10,027
	<u>10,925</u>	<u>10,027</u>
	2021 £000	2020 £000
Opening fair value	10,027	9,629
Investment withdrawal	(25)	(188)
Change in value of markets	923	586
	<u>10,925</u>	<u>10,027</u>

### 12. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	4,459	6,210
	<u>4,459</u>	<u>6,210</u>

**RAVENS CRAIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****13. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	204	86
Corporation tax	10	112
Deferred taxation	247	-
Accruals and deferred income	6,570	6,363
	<b>7,031</b>	<b>6,561</b>

**14. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to shareholders	35,531	35,734
	<b>35,531</b>	<b>35,734</b>

**15. Deferred taxation**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
At beginning of year	-	103
Charged to profit or loss	(247)	(103)
At end of year	<b>(247)</b>	<b>-</b>

The deferred tax asset is made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Fixed asset timing differences	6	4
Short term timing differences	(1,456)	(1,383)
Losses and other deductions	1,450	1,395
Capital gains/(losses)	(247)	(16)
	<b>(247)</b>	<b>-</b>

# RAVENS CRAIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 16. Financial instruments

The company has exposure to one main areas of risk - liquidity risk.

#### Liquidity risk

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. Given the maturity of the shareholder loans in note 14, the company is in a position to meet its commitments and obligations as they come due.

	2021 £000	2020 £000
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<u>10,925</u>	<u>10,027</u>
<b>Financial liabilities</b>		
Financial liabilities measured at fair value through profit or loss	<u>(35,531)</u>	<u>35,734</u>

Financial assets measured at fair value through profit or loss comprise of pooled investment funds.

The financial liabilities measured at fair value through the Statement of Comprehensive Income relate to amounts shown in note 14 being amounts owed to shareholders. These loans are not traded in active markets and repayment is based on the existence of future profits of the company to distribute back to the shareholders. The liability has been fair valued with reference to the underlying fair value of the asset on which the loans have been provided. The directors in making the fair value assessment have considered the fair value of the land owned by the company, together with work in progress, cash and debtors, based on current information and future prospects. This liability will be fair valued at each balance sheet date taking into account that the future changes in fair value of the asset will impact the fair value of the loan, as the loan reflects the obligation to distribute the resulting profits.

During the year, the directors' review of the fair value assessment of the shareholder loan resulted in a fair value gain of £203k (2020: £484k gain) being recognised in the year.

# RAVENS CRAIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 17. Provisions

	Environmental monitoring provision £000
At 1 January 2021	5,722
Additions in the year	62
Utilised in year	(234)
<b>At 31 December 2021</b>	<b>5,550</b>

The environmental monitoring provision represents the Directors' best estimate of the Company's liability in relation to the cost of maintaining groundwater monitoring on the Ravenscraig site for a period of thirty years. This estimate includes upfront design and installation costs and annual expected monitoring costs.

### 18. Share capital

	2021 £000	2020 £000
<b>Allotted, called up and fully paid</b>		
300 (2020 - 300) Ordinary shares shares of £1.00 each.	-	-

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

### 19. Capital commitments

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

**RAVENS CRAIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****20. Related party transactions**

At the year end, the balance owing to Wilson Bowden Limited was £19,577k (2020: £19,577k). Wilson Bowden Limited is a 100% owned subsidiary of Barratt Developments plc. As such Wilson Bowden Limited is a related party of Ravenscraig Limited by virtue of Barratt Developments plc's 33.33% shareholding in the company.

The nature of the relationship between Wilson Bowden Limited and Ravenscraig Limited is one of agency whereby Wilson Bowden Limited act on behalf of Ravenscraig Limited.

At the year end, the balance owing to Tata Steel UK Limited was £20,734k (2020: £20,734k). Tata Steel UK Limited is a related party of Ravenscraig Limited by virtue of its 33.33% shareholding in the company.

At the year end, the balance owing to Scottish Enterprise Lanarkshire Limited was £17,349k (2020: £17,349k). Scottish Enterprise Lanarkshire Limited is a related party of Ravenscraig Limited by virtue of its 33.33% shareholding in the company.

	2021 £000	2020 £000
Wilson Bowden	19,577	19,577
Tata Steel UK Limited	20,734	20,734
Scottish Enterprise	17,349	17,349
<b>Balance due as at 31 December</b>	<b>57,660</b>	<b>57,660</b>
Fair value adjustment on transition to FRS 102 in 2016	(14,563)	(14,563)
Fair value adjustment 2018	(7,294)	(7,294)
Fair value adjustment 2019	415	415
Fair value adjustment 2020	(484)	(484)
Fair value adjustment 2021	(203)	-
	<b>35,531</b>	<b>35,734</b>

During the year, the directors' review of the fair value assessment of the shareholder loan resulted in a fair value adjustment of £203k (2020: 484k) being recognised in the year (see note 16).

During the year, the company received £1,458k (2020: £542k) of deficit funding towards infrastructure costs from Scottish Enterprise, a related party of Scottish Enterprise Lanarkshire Limited. These contributions are credited against the costs incurred in work in progress and are non refundable.

**21. Controlling party**

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