Registered number: SC192142

RAVENSCRAIG LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION

Directors	D W Borland N W Davies (resigned 30 June 2022) D McLeod A R Pickford E V Phillips J Robertson (resigned 6 July 2023) R J Wilkie G J Williamson M C Wright N D Young M Kinnaird (appointed 6 July 2023)
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 (a trading name of BDW Trading Limited) Telford House 3 Mid New Cultins Edinburgh EH11 4DH
Independent auditors	Grant Thornton UK LLP Statutory Auditor Chartered Accountants 110 Queen Street Glasgow G1 3BX

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

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 (2021: £nil).

After a review of the first phase of the whole scheme and likely sales, an impairment review was carried out. A resulting charge of £0.2m (2021: £0.1m) was recognised in the Statement of Comprehensive Income against the value of the work in progress apportioned to this phase in the year to 31 December 2022. A subsequent review of the repayment of shareholder loans was carried out and a £2.1m credit was recognised in the Statement of Comprehensive Income against the loan creditor (2021: £0.2m 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.

The first phase of the Ravenscraig Access Infrastructure project commenced in June 2022 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. The initial phase comprised of the construction of a £16m underbridge on the West Coast Main Line.

Completion of the £4m Employment Land Spine Road was achieved which provides fully serviced access to the first phase of the commercial/industrial development covering 31 net acres of Class 4, 5 and 6 business use.

Completion of the new £1.25m 1km Active Travel Link connecting Craigneuk to Ravenscraig Regional Sports Facility was achieved in June 2022.

The planning application for the £200m JG Russell Rail & Logistic Hub located just east of the Wishaw Deviation Line was refused at a special planning committee hearing in December 2022. An appeal has been submitted by JG Russell to the Scottish Government's Planning & Environmental Appeals Division.

The following planning applications for proposed development within Ravenscraig were submitted to North Lanarkshire Council throughout 2022:

- Neighbourhood Retail Centre including a Drive Thru and electric vehicle charging hub at Prospecthill Road.
- 23 affordable housing units to land at Prospecthill Road.
- Enabling works for 6 acre site within the Employment Land which will provide 62,000 sq ft of Class 5 & 6.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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 Phillips
J Robertson (resigned 6 July 2023)
R J Wilkie
G J Williamson
M C Wright
N D Young

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.

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 12 days (2021: 8 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 auditors, 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 and signed on its behalf.

Donald Borland

D W Borland
Director

Date: 18 September 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAVENSCRAIG LIMITED

Opinion

We have audited the financial statements of Ravenscraig Limited (the 'company') for the year ended 31 December 2022, 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 2022 and of its results 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAVENSCRAIG LIMITED

Other information
The other information comprises the information included in the Directors' report , other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' report. 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.

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 themselves. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAVENSCRAIG 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 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:
- – 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAVENSCRAIG LIMITED

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.

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. This description forms part of our auditor's report.

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
110 Queen Street
Glasgow
G1 3BX

18 September 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	*2021 £000*
Turnover	4	**507**	-
Cost of sales		**(507)**	-
Impairment of WIP		**(214)**	*(67)*
Gross loss		**(214)**	*(67)*
Administrative expenses		**(319)**	*(330)*
Other operating income	5	**177**	*169*
Other operating charges		**(277)**	*(583)*
Operating loss		**(633)**	*(811)*
(losses)/gains from current asset investments	12	**(1,646)**	*865*
Fair value adjustment of shareholder loans	21	**2,051**	*203*
(Loss)/profit before tax		**(228)**	*257*
Tax on (loss)/profit	8	**228**	*(257)*
Loss for the financial year being total comprehensive loss		**-**	-

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 12 to 26 form part of these financial statements.

All activities relate to continuing operations.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £000		2021 £000
Fixed assets					
Tangible assets	9		**13**		*18*
			13		*18*
Current assets					
Stocks	10	**33,067**		*32,696*	
Debtors: amounts falling due within one year	11	**35**		*39*	
Current asset investments	12	**9,310**		*10,925*	
Cash at bank and in hand	13	**3,570**		*4,459*	
		45,982		*48,119*	
Creditors: amounts falling due within one year	14	**(5,528)**		*(5,651)*	
Net current assets			**40,454**		*42,468*
Total assets less current liabilities			**40,467**		*42,486*
Creditors: amounts falling due after more than one year	15		**(35,133)**		*(36,911)*
Provisions for liabilities					
Other provisions	18	**(5,309)**		*(5,550)*	
			(5,309)		*(5,550)*
Net assets			**25**		*25*
Capital and reserves					
Profit and loss account			**25**		*25*
			25		*25*

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 by:

Donald Borland
D W Borland
Director

Russell Wilkie
R J Wilkie
Director

Date: 18 September 2023

The notes on pages 12 to 26 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Profit and loss account £000	Total equity £000
At 1 January 2021	**25**	**25**
Total comprehensive income for the year	**-**	**-**
At 1 January 2022	**25**	**25**
Total comprehensive loss for the year	**-**	**-**
At 31 December 2022	**25**	**25**

The notes on pages 12 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Interest receivable from cash and short term deposits and interest payable are accrued to the end of the year. Dividends receivable on investments are treated as revenue for the period

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.

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.

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 and 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.

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.

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.

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 10). 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 18, 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. Turnover

An analysis of turnover by class of business is as follows:

	2022	*2021*
	£000	*£000*
Serviced land sales	**507**	-
	507	-

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £000	2021 £000
Rent receivable	112	111
Sundry income	8	-
Dividends received	57	58
	177	169

6. Auditors' remuneration

	2022 £000	2021 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	25	19
Fees payable to the company's auditor and its associates in respect of all other services	2	3
	27	22

7. 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.

8. Taxation

	2022 £000	*2021* *£000*
Corporation tax		
Current tax on non-trading profits for the year	**20**	*9*
Adjustments in respect of previous periods	**(1)**	*1*
Total current tax	**19**	*10*
Deferred tax		
Origination and reversal of timing differences	**(247)**	*247*
Total deferred tax	**(247)**	*247*
Taxation on (loss)/profit on ordinary activities	**(228)**	*257*

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2021 - higher than)* the standard rate of corporation tax, inclusive of the Residential Property Developer Tax ('RPDT') in the UK of 19.0% *(2021 - 19.0%)*. The differences are explained below:

	2022 £000	*2021* *£000*
(Loss)/profit on ordinary activities before tax	**(228)**	*257*
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax inclusive of RPDT in the UK of 19.0% (2021 - 19.0%)	**(43)**	*49*
Effects of:		
Expenses not deductible for tax purposes	**309**	*(39)*
Deferred tax not recognised	**(197)**	*331*
Adjustments to tax charge in respect of prior periods	**51**	*1*
Non-taxable income	**(19)**	*(187)*
Capital (losses) gains	**(305)**	*172*
Remeasurement of deferred tax for changes in tax rates	**(24)**	*(70)*
Total tax (credit)/charge for the year	**(228)**	*257*

The cumulative tax losses are £5,044,472 (2021: £7,948,865).

Factors that may affect future tax charges

8. Taxation (continued)

The UK corporation tax rate will increase from 19% to 25% to the extent that profits exceed the small company threshold with effect from 1 April 2023. Legislation to increase the corporation tax rate was enacted during the 30 June 2021 accounting period. RPDT is chargeable from 1 April 2022 on profits arising from residential property development trades to the extent that profits exceed the annual allowance.

9. Tangible fixed assets

	Vehicles Plant and Equipment £000
Cost or valuation	
At 1 January 2022	**21**
At 31 December 2022	**21**
Depreciation	
At 1 January 2022	**3**
Charge for the year on owned assets	**5**
At 31 December 2022	**8**
Net book value	
At 31 December 2022	**13**
At 31 December 2021	*18*

10. Stocks

	2022	*2021*
	£000	*£000*
Land and work in progress	**33,067**	*32,696*
	33,067	*32,696*

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 £214,000 (2021: £67,000) being recognised in the year ended 31st December 2022. The calculations assume a phase 1 cost to complete of £4,700,000 (2021: £4,700,000) which is accrued within work in progress.

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.

11. Debtors

	2022 £000	2021 £000
Amounts falling due within one year:		
Trade debtors	**11**	*11*
Other debtors	**17**	*21*
Prepayments and accrued income	**7**	*7*
	35	*39*

12. Current asset investments

	2022 £000	2021 £000
Pooled investment funds	**9,310**	*10,925*
	9,310	*10,925*

	2022 £000	2021 £000
Opening fair value	**10,925**	*10,027*
Additions	**1,480**	*970*
Disposal proceeds	**(1,480)**	*(970)*
Dividend income	**57**	*58*
Investment fees	**(26)**	*(25)*
(Losses)/gains on other fixed asset investments	**(1,646)**	*865*
	9,310	*10,925*

13. Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	**3,570**	*4,459*
	3,570	*4,459*

14. Creditors: amounts falling due within one year

	2022	*2021*
	£000	*£000*
Trade creditors	**211**	*204*
Corporation tax	**18**	*10*
Deferred taxation	**-**	*247*
Accruals	**5,299**	*5,190*
	5,528	*5,651*

15. Creditors: amounts falling due after more than one year

	2022	*2021*
	£000	*£000*
Amounts owed to shareholders	**33,480**	*35,531*
Accruals	**1,653**	*1,380*
	35,133	*36,911*

16. Deferred taxation

	2022	*2021*
	£000	*£000*
Movement in provision:		
Provision at start of year	**(247)**	*-*
Deferred tax charged in the Statement of Comprehensive Income for the year	**247**	*(247)*
Provision at end of year	**-**	*(247)*

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Fixed asset timing differences	-	6
Short term timing differences	1,092	(1,456)
Losses and other deductions	(1,092)	1,450
Capital gains/(losses)	-	(247)
	-	(247)

17. Financial instruments

The company has exposure to one main area 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 15, the company is in a position to meet its commitments and obligations as they come due.

	2022 £000	2021 £000
Financial assets		
Financial assets measured at fair value through profit or loss	9,310	10,925
Financial assets measured at amortised cost	11	11
Cash	3,570	4,459
	12,891	15,395
Financial liabilities		
Financial liabilities measured at amortised cost	(40,643)	(42,305)

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

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to shareholders and accruals.

18. Provisions

	Environmental monitoring provision £000
At 1 January 2022	5,550
Additions in the year	7
Utilised in year	(248)
At 31 December 2022	**5,309**

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, annual expected monitoring costs and final decommission costs.

19. Share capital

	2022 £000	*2021 £000*
Allotted, called up and fully paid		
300 *(2021 - 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.

20. Capital commitments

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

21. Related party transactions

At the year end, the balance owing to Wilson Bowden Limited was £19,577k (2021:£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 (2021: £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 (2021: £17,349k) Scottish Enterprise Lanarkshire Limited is a related party of Ravenscraig Limited by virtue of its 33.33% shareholding in the company.

	2022 **£000**	*2021* *£000*
Wilson Bowden	**19,577**	*19,577*
Tata Steel UK Limited	**20,734**	*20,734*
Scottish Enterprise	**17,349**	*17,349*
Balance due as at 31 December	**57,660**	*57,660*
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)**	*(203)*
Fair value adjustment 2022	**(2,051)**	-
	33,480	*35,531*

During the year, the directors' review of the fair value assessment of the shareholder loan resulted in a fair value adjustment of £2,051k (2021: £203k) being recognised in the year.

During the year, the company received £nil (2021: £1,458k) 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.

22. 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.