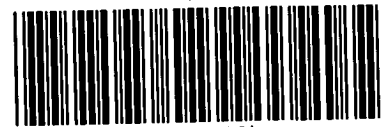


Company Registration No: 11853083

**THE MERSEY DOCKS AND HARBOUR
COMPANY (L2) LIMITED**

**Report and Financial Statements
For the year ended 31 December 2024**

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THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

REPORT AND FINANCIAL STATEMENTS

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THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Clark
M A Gregory
C Veritiero
J C H Schäffers
R Smith
J Bou Malhab

COMPANY SECRETARY

F A Khan

REGISTERED OFFICE

Maritime Centre
Port of Liverpool
Liverpool
L21 1LA

BANKERS

National Westminster Bank PLC
2-8 Church Street
Liverpool
L1 3BG

AUDITOR

BDO LLP
Statutory Auditor
Eden Building
Irwell Street
Salford
Manchester
M3 5EN
United Kingdom

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

STRATEGIC REPORT

The directors present their strategic report, directors' report and the audited financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES AND COMPANY OVERVIEW

The principal activities of the Group are the provision of container port services at the Liverpool2 container terminal and the provision of labour and other services to the Royal Seaforth Container Terminal, both at the Port of Liverpool.

The Company is jointly owned by Peel Ports Containers Limited, a subsidiary of the Peel Ports Group Limited group of companies, and Terminal Investment Limited S.a.r.l.

The Royal Seaforth Container Terminal ('RSCT') is operated by The Mersey Docks and Harbour Company (RSCT) Limited, which is a wholly owned subsidiary within the Peel Ports Group Limited group.

RSCT was the Port of Liverpool's first container terminal. It has direct deep-sea and short-sea connections to a range of countries, including the USA, Canada, Spain, Italy, Portugal, Cyprus and Turkey, in addition to a number of feeder services connecting Liverpool with the Far East, India, Africa and South America.

Liverpool2 is an in-river deep-water container terminal capable of accommodating the world's largest container vessels with smaller post-Panamax vessels the most likely primary users of the terminal. Completed in two phases, the second phase was completed in January 2022. This further increased the capacity from the first phase of Liverpool2 through investment in additional quayside and landside cranes, together with some related infrastructure works.

RESULTS AND DIVIDENDS

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements and are discussed further in the business review below.

No interim dividends were proposed in the year ended 31 December 2024 (2023: £nil).

REVIEW OF BUSINESS, DEVELOPMENTS AND PROSPECTS

Summary of results

The results for the year and the previous year are summarised in the table below.

	2024	2023	Change	
	£m	£m	£m	%
Continuing operations				
Turnover	51.0	48.4	2.6	5.4
Gross loss	(8.4)	(7.8)	(0.6)	(7.7)
EBITDA ¹	(9.7)	(10.4)	0.7	6.7
Operating loss before exceptional items ²	(9.7)	(10.4)	0.7	6.7
Operating loss	(9.7)	(11.0)	1.3	11.8

The Company's results and financial position are set out in the profit and loss account and balance sheet respectively.

Details of operating exceptional items of £nil (2023: £0.6m) can be found in note 7.

Net liabilities were £23.9m at 31 December 2024 (2023: £12.5m). The increase (2023: increase) in net liabilities is due to the loss after tax for the financial year of £11.4m (2023: loss of £11.9m).

¹ The EBITDA loss of £9.7m (2023: loss of £10.4m) is operating loss of £9.7m (2023: loss of £11.0m) before depreciation of £nil (2023: £nil) and exceptional items of £nil (2023: £0.6m). The use of EBITDA as a primary measure of profitability is commonly used by peer group companies, though definitions across the sector may differ.

² The operating loss before exceptional items of £9.7m (2023: loss before exceptional items of £10.4m) is operating loss of £9.7m (2023: loss of £11.0m) before exceptional items of £nil (2023: £0.6m).

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

STRATEGIC REPORT (CONTINUED)

REVIEW OF BUSINESS, DEVELOPMENTS AND PROSPECTS

Summary of key performance indicators

The directors use annual budgets as the basis for measuring Group's performance.

The directors monitor the progress of the overall Group strategy and the individual strategic elements by reference to certain financial and non-financial key performance indicators for the continuing business:

	2024	2023	Absolute Change	% Change	Method of calculation
Turnover (£m's)	51.0	48.4	2.6	5.4	Year-on-year change
EBITDA (£m's)	(9.7)	(10.4)	0.7	6.7	Operating profit before depreciation and exceptional items.

Although the Group recorded an increase in turnover in the year ended 31 December 2024, it generated an EBITDA loss of £9.7m, which is mainly attributable to the continuing general slowdown in global container volumes against a backdrop of economic uncertainties caused by factors such as the war in Ukraine. The directors are confident that the continuous improvements to the operational arrangements to the terminal and recovery of the global container volumes will allow the Group to improve its financial performance.

PRINCIPAL RISKS AND UNCERTAINTIES

Ukraine

At the time of preparing this report, the war in Ukraine is continuing following the territorial invasion by Russia. Most governments, including that of the UK, have imposed economic sanctions on Russia and this has placed certain obligations on UK ports with respect to vessels that seek to enter their areas of jurisdiction. The Group continues to engage with the Department for Transport and other statutory bodies to ensure that the Group complies with the sanctions. This may result in disruption to the handling of certain commodities, though there has been no material effect on the Group to date and it is anticipated that this will continue to be the case.

Operational

Health and safety

The nature of the operations at the Port of Liverpool is such that there is always a possibility of accidents occurring. The Board of Directors is committed to ensuring that the Group complies with all appropriate health and safety requirements and to achieving continuous improvement to the effectiveness of the health and safety management. The safety of its workforce, and anyone who enters the working environment, is an essential part of the Group's overall strategy.

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES

Operational

Cyber security

Like many companies, the Group faces risks associated with a cyber security breach. Threats can vary in their complexity and sophistication and can potentially negatively impact organisations of all sizes. Over a number of years, the IT environment that the Group utilises has seen a significant increase in investment in this area. Appropriate resilience and recovery measures are in place, as well as a comprehensive employee training programme to raise awareness and defend against malicious attacks. This is reinforced by regular tests to ensure that employees remain vigilant. A range of industry-standard security products, both internally and on our network perimeters, are employed. Formal security and IT conditions of use policies are established, which define security standards and acceptable use.

Technology and innovation

The rate of development of technology and innovation continues to be a strategic risk, and opportunity, for many businesses. The construction of the Liverpool2 container-handling terminal at the Port of Liverpool allowed for new technology to be deployed, which provides for a degree of future-proofing, though the Group continues to review technological developments.

General Data Protection Regulation ('GDPR')

Non-compliance with GDPR, and before it the Data Protection Act 2018, continues to be a significant regulatory risk facing the Group. Appropriate policies and procedures, comprehensive training and reference materials are in place, with regular reminders issued through signage and intranet/IT screen background messages.

Commercial

Dependency on economic activity

The Port of Liverpool forms part of a wider transport infrastructure. The key commercial risk and uncertainty relates to the dependency upon the economic activity of the businesses and consumers within an economic geographic proximity of the port. These consumers and businesses generate the trade which flows through the ports and when they are subject to economic cycles or, at the extreme, to failure there is an unavoidable impact on the port. In addition, the Group may be exposed to declining volumes in certain sectors, downward pricing pressure or the loss of major contracts. The mitigation of this risk comes from the investment made in the Liverpool2 container terminal, including up to date technology, and the location of the port relative to those businesses and consumers who rely on it.

Financial

Liquidity, cash flow and interest risks

The Group's long-term debt is in the form of loans totalling £29.1m (2023: £15.5m) from its joint venture shareholders, which are due for repayment in 2029. Both shareholders agreed to the capitalisation of interest due for the year ended 31 December 2024. The Group manages its liquidity, and cash flow, through its budget, cashflow forecasts and careful management of its working capital requirements. Consideration of this in the context of going concern can be found in note 3.

Credit risk

Financial risk also arises from credit extended to customers. This risk is mitigated by using strict credit control procedures, the imposition of appropriate credit limits and obtaining third party credit references. The Group engages proactively with customers to mitigate the risks arising and takes appropriate action when necessary.

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Financial

Capital risk

The Group keeps its funding structure under review with the objective of maximising shareholder value and the capacity to meet its operational requirements and to facilitate the execution of its strategy. The joint venture shareholders have provided loans totalling £29.1m (2023: £15.5m), which are due for repayment in 2029.

Going concern

As referred to in note 3 to the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for this reason they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Environmental

Operations

The Group is conscious of the impact of its operations on the environment. Necessary attention is given to environmental issues particularly when developing new projects.

Climate change

The UK Government has made a legally binding commitment to achieving a Net Zero Carbon economy by 2050. In November 2021, the Group announced its intention to be a Net Zero company by 2040. To achieve these targets, there will need to be significant changes across the economy and, by extension, the ports that serve it and the Group will need to identify and implement initiatives that support these objectives. For example, in the UK as a whole this is likely to result in the long-term reduction in tonnages of oil related cargoes and a move away from diesel and petrol cars to electric and other forms of low carbon transport. The Group will need to adopt new technologies and deal with currently unforeseen legislative changes, as well as facilitate the green transition through ports in areas such as offshore wind.

On behalf of the Board



J Clark
Director
26 March 2025

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

DIRECTORS' REPORT

This report contains the statutory information disclosed in addition to that set out in the separate strategic report. Information relating to the future development of the business and financial risk management, which would otherwise be included in the Directors' Report, is included in the Strategic Report.

DIRECTORS

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

J Clark	(appointed 8 January 2024)
L McIntyre	(resigned 8 January 2024)
J C H Schaffers	
C Veritiero	
M A Gregory	
T Vancampen	(resigned 8 January 2025)
J Bou Malhab	(appointed 8 January 2025)
R Smith	

The Company maintains directors' and officers' liability insurance which provides insurance cover for the directors and officers of the Company against liabilities which they may incur personally as a consequence of claims made against them alleging breach of duty or other wrongful act or omission in their capacity as directors or officers.

RECOMMENDED DIVIDEND

No final dividend is proposed (2023: £nil).

DISABLED PERSONS

Applications for employment by disabled persons are given full consideration, having regard to the capabilities of the applicant. In the event of employees becoming disabled, every effort is made to provide them with employment in the Group and to arrange any necessary re-training. It is the policy of the Group that the training, career development and promotion of disabled persons should as far as possible, be identical to that of a person who does not suffer from any disability. Appropriate access and facilities are also provided for any disabled employees as required. Training programmes are in place to ensure that the Group has suitably qualified individuals to undertake the various operational tasks within the Group.

EMPLOYEE ENGAGEMENT

Our employees are key to our success and we want them to be safe, well trained and successful, individually and as a team. We engage with our employees in a number of ways, including face-to-face briefings, newsletters, an intranet, social media and through engagement with unions.

Key areas of focus include health and well-being, development opportunities, job security, pay and benefits.

AUDITOR AND THE DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

BDO LLP have indicated their willingness to be appointed for another term and appropriate arrangements have been put in place for them to be deemed appointed as auditor in the absence of an Annual General Meeting.

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

DIRECTORS' REPORT (CONTINUED)

On behalf of the Board



J Clark
Director
26 March 2025

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Mersey Docks and Harbour Company (L2) Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2024 which comprise the Consolidated profit and loss account, the Consolidated statement of comprehensive income, the Consolidated and Company Balance Sheets, the Consolidated statement of changes in equity, the Consolidated cashflow statement and notes to the financial statements, including a summary of significant accounting. 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report and financial statements, 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.

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 course of 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 this gives rise to 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.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

Responsibilities of Directors

As explained more fully in the 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED (CONTINUED)

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.

Extent to which the audit was 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be those that relate to the form and content of the financial statements, such as United Kingdom Generally Accepted Accounting Practice, the UK Companies Act 2006 and those that relate to the payment of employees.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation, the Ports Act, data protection laws, employment laws and environmental laws.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be inappropriate journal entries, and improper revenue recognition from unexpected revenue combinations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED (CONTINUED)

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Testing income recognised throughout the year, for which the corresponding entry was not in line with expectations, through to documentation to verify whether the revenue posting was correct and supportable.
-

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

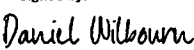
A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:


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Daniel Wilbourn (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK
26 March 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
TURNOVER	5	51.0	48.4
Cost of sales		<u>(59.4)</u>	<u>(56.2)</u>
GROSS LOSS		(8.4)	(7.8)
Other administrative expenses		(1.3)	(2.6)
Exceptional items	7	-	(0.6)
Administrative expenses		<u>(1.3)</u>	<u>(3.2)</u>
OPERATING LOSS	7	(9.7)	(11.0)
Net interest expense	8	<u>(1.7)</u>	<u>(0.8)</u>
LOSS BEFORE TAXATION		(11.4)	(11.8)
Taxation	9	<u>-</u>	<u>(0.1)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(11.4)</u>	<u>(11.9)</u>

The above results are derived from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

The Group has no recognised gains and losses other than those included in the results above.

	2024 £m	2023 £m
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR	<u>(11.4)</u>	<u>(11.9)</u>

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

CONSOLIDATED AND COMPANY BALANCE SHEET

As at 31 December 2024

	Note	Group		Company	
		2024 £m	2023 £m	2024 £m	2023 £m
FIXED ASSETS					
Tangible assets	11	0.2	-	0.2	-
		<u>0.2</u>	<u>-</u>	<u>0.2</u>	<u>-</u>
CURRENT ASSETS					
Debtors - due within one year	12	15.8	12.7	14.4	9.8
Cash at bank and in hand		2.6	2.1	1.1	0.8
		<u>18.4</u>	<u>14.8</u>	<u>15.5</u>	<u>10.6</u>
CREDITORS: amounts falling due within one year	13	<u>(13.4)</u>	<u>(11.8)</u>	<u>(10.5)</u>	<u>(7.6)</u>
NET CURRENT ASSETS AND TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5.0</u>	<u>3.0</u>	<u>5.0</u>	<u>3.0</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5.2	3.0	5.2	3.0
CREDITORS: amounts falling due after more than one year	14	<u>(29.1)</u>	<u>(15.5)</u>	<u>(29.1)</u>	<u>(15.5)</u>
NET LIABILITIES		<u>(23.9)</u>	<u>(12.5)</u>	<u>(23.9)</u>	<u>(12.5)</u>
CAPITAL AND RESERVES					
Called-up share capital	18	-	-	-	-
Profit and loss account		(23.9)	(12.5)	(23.9)	(12.5)
TOTAL SHAREHOLDER'S FUNDS - DEFICIT		<u>(23.9)</u>	<u>(12.5)</u>	<u>(23.9)</u>	<u>(12.5)</u>

The financial statements of The Mersey Docks and Harbour Company (L2) Limited (company registration number 11853083), were approved and authorised for issue by the Board of Directors on 26 March 2025 and were signed on its behalf by:



J Clark
Director

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	Called-up share capital £m	Profit and loss account £m	Total £m
As at 31 December 2022	<u>-</u>	<u>(0.6)</u>	<u>(0.6)</u>
Loss for the financial year and total comprehensive income	<u>-</u>	<u>(11.9)</u>	<u>(11.9)</u>
As at 31 December 2023	<u>-</u>	<u>(12.5)</u>	<u>(12.5)</u>
Loss for the financial year and total comprehensive loss	<u>-</u>	<u>(11.4)</u>	<u>(11.4)</u>
As at 31 December 2024	<u><u>-</u></u>	<u><u>(23.9)</u></u>	<u><u>(23.9)</u></u>

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

CONSOLIDATED CASHFLOW STATEMENT

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Cash outflow from operating activities	19(a)	(11.2)	(7.9)
Taxation paid		-	-
Net cash outflow from operating activities		<u>(11.2)</u>	<u>(7.9)</u>
Cash outflow from investing activities	19(b)	(0.2)	-
Cash inflow from financing activities	19(c)	11.9	7.0
Net increase / (decrease) in cash and cash equivalents		<u>0.5</u>	<u>(0.9)</u>
Cash and cash equivalents at the beginning of the year		2.1	3.0
Cash and cash equivalents at the end of the year		<u>2.6</u>	<u>2.1</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>2.6</u>	<u>2.1</u>
Cash and cash equivalents		<u>2.6</u>	<u>2.1</u>

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

The Company is a private limited company limited by shares and is incorporated in England. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

2. STATEMENT OF COMPLIANCE

The financial statements of The Mersey Docks and Harbour Company (L2) Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") as issued by the Financial Reporting Council, and the Companies Act 2006.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the principal accounting policies, which have been applied consistently throughout the current and prior financial years, is set out below.

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going concern

In concluding that the financial statements should be prepared on the going concern basis, the directors have considered:

- detailed cash forecasts and working capital availability for a period of at least 12 months from the date of signing the financial statements;
- the long-term nature of the Group's financial indebtedness, with £29.1m (2023: £15.5m) of shareholder loans not being repayable until 2029;
- the available cash of £2.6m at the balance sheet date;
- the continuing support of the Group's joint venture shareholders; the directors have obtained confirmation from the directors of Peel Ports Containers Limited and Terminal Investment Limited S.A.R.L. that they will provide such financial support as is necessary, will not demand repayment of any amounts due to them and will procure the same from other undertakings in their Groups, other than on normal commercial or contractual terms to ensure that the Group will be able to meet its third-party liabilities as they fall due during the 12 months following the date of the signing of the 2024 financial statements.

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertaking made up to 31 December 2024.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

Results of subsidiary undertakings acquired or disposed of during the year are included from the date of acquisition or to the date of disposal to the extent of Group control.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

The separable net assets of subsidiary undertakings acquired and accounted for under acquisition accounting and joint ventures are included in the Group financial statements at their fair value to the Group at the date of acquisition including provisions and liabilities taken into consideration in assessing the fair value of the business acquired.

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account for The Mersey Docks and Harbour Company (L2) Limited is not presented.

Foreign currencies

(i) Functional and presentation currency

The financial statements are presented in pound sterling and rounded to millions.

The Group's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the spot exchange rates at the dates of transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Revenue recognition

All revenue recorded excludes value added tax and consideration is given as to the collectability of any amounts due from customers.

Revenue from the provision of container ports services comprises handling charges, utilities and fuel, service fees, storage income and other sundry income. Revenue from the provision of these services is recognised when the service is provided.

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is rendered.

(ii) Defined contribution pension plans

A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations. Pension costs are charged to the profit and loss account as they fall due. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

Exceptional items

Exceptional items are those significant items which are separately disclosed on the face of the profit and loss account by virtue of their size or incidence to enable a full understanding of the Group's financial performance.

Finance costs

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Accrued finance costs attributable to borrowings where the maturity at the date of issue is less than 12 months are included in accrued charges within current liabilities. For all other borrowings, accrued finance charges and issue costs are added to the carrying value of those borrowings.

Finance income

Interest income on financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is included in net interest expense in the profit and loss account.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold; and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Fixed asset investments are stated at cost less any provision for impairment. Cost represents the aggregate cash consideration, costs incurred and either the fair value or the nominal value of shares issued. Income from investments in subsidiary undertakings is included in the profit and loss account when dividends have been declared.

Leased assets

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

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, there are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share capital

Ordinary shares are classified as equity.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These are based on management's best knowledge of the amount, event or actions, taking into account historical experience and other factors that are considered to be relevant. The resulting accounting estimates will, by definition, seldom equal the related actual results.

These 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Consideration has been given as to how this might impact the critical accounting judgements and estimates of the Company, with no material areas having been identified. As referred to in note 3, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. This includes the continuing support of the Group's joint venture shareholders.

(i) Critical judgements in applying the Company's accounting policies

The directors do not consider there to be any critical accounting judgements that must be applied.

(ii) Key sources of estimation uncertainty

The directors do not consider there to be any key sources of estimation uncertainty that have a significant potential risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. TURNOVER

Turnover arises in the UK from the following sources:

	2024	2023
	£m	£m
Container terminal operations	24.5	21.4
Provision of container labour and other services	26.5	27.0
Total	<u>51.0</u>	<u>48.4</u>

Container terminal operations turnover represents income derived from the services provided at the Liverpool2 container terminal at the Port of Liverpool. The provision of container labour and other services relates to the services provided by MDHC Container Services to The Mersey Docks and Harbour Company (RSCT) Limited, in respect of the Royal Seaforth Container Terminal at the Port of Liverpool.

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

6. EMPLOYEES AND DIRECTORS

Employees

The total average monthly number of persons employed by the Group during the year was 703 (2023: 721).

The staff costs for the above persons were:

	2024	2023
	£m	£m
Wages and salaries	32.3	32.1
Social security costs	3.1	3.2
Other pension costs – defined contribution pension schemes (note 17)	1.8	1.8
	37.2	37.1
Total staff costs	37.2	37.1

MDHC Container Services Limited, a wholly owned subsidiary of the Company, provides labour and other services to both the Liverpool2 terminal and the Royal Seaforth Container Terminal at the Port of Liverpool. The Royal Seaforth Container Terminal is operated by The Mersey Docks and Harbour Company (RSCT) Limited, a wholly owned subsidiary within the Peel Ports Group Limited group of companies.

Directors

Directors of the Company are representatives of the two joint venture shareholders. Accordingly, they are remunerated by their respective employer and this remuneration is not disclosed in these financial statements. Those directors have to account in turn to those undertakings.

7. OPERATING LOSS

	2024	2023
	£m	£m
Operating loss is stated after charging:		
Exceptional costs	-	0.6
Operating lease charges	9.2	8.8
	9.2	9.4

The analysis of auditor's remuneration is as follows:

	2024	2023
	£000	£000
Fees payable to the Group's auditor for the audit of the parent company and the group's annual financial statements	43	42
	43	42

The disclosures above are for the Group. The Company is not required, in its individual financial statements, to separately disclose information about fees for non-audit services provided to the Company because the consolidated financial statements are required to disclose such fees on a consolidated basis.

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

8. NET INTEREST EXPENSE

	2024	2023
	£m	£m
Interest payable and similar charges:		
Loans from related undertakings	(1.7)	(0.8)
	<u>(1.7)</u>	<u>(0.8)</u>
	2024	2023
	£m	£m
Net interest expense:		
Total interest payable and similar charges	(1.7)	(0.8)
	<u>(1.7)</u>	<u>(0.8)</u>

9. TAXATION

a) Analysis of tax charge in the year

	2024	2023
	£m	£m
Current tax		
UK Corporation tax	-	-
	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Prior period adjustment	-	0.1
	<u>-</u>	<u>0.1</u>
Total deferred tax charge	<u>-</u>	<u>0.1</u>
Total tax charge	<u>-</u>	<u>0.1</u>

b) Reconciliation of total taxation

Total taxation is higher (2023: higher) to that arising from applying the standard rate of UK corporation tax of 25.0% (2023: 23.2%). The differences are explained below:

	2024	2023
	£m	£m
Loss before taxation	(11.4)	(11.8)
	<u>(11.4)</u>	<u>(11.8)</u>
Loss before taxation multiplied by the standard rate of UK corporation tax of 25.0% (2023: 23.2%)	(2.8)	(2.7)
Effects of:		
Deferred tax not recognised	2.8	2.7
Prior period adjustment to deferred tax	-	0.1
	<u>2.8</u>	<u>2.8</u>
Total tax charge	<u>-</u>	<u>0.1</u>

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

9. TAXATION (CONTINUED)

c) Deferred tax

The net deferred tax asset as at 31 December is as follows:

	2024 £m	2023 £m
Tax losses	-	-

Unrecognised deferred tax

At 31 December 2024, the Company has gross tax losses of £23.8m (2023: £12.4m) that are available for carry forward indefinitely on which deferred tax is not recognised.

10. FIXED ASSET INVESTMENTS

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Subsidiary undertakings	-	-	-	-

Subsidiary undertakings

Details of the Company's subsidiary undertaking, which is wholly owned and incorporated in the United Kingdom, is provided below:

Name of undertaking	Principal activity
MDHC Container Services Limited	Labour and other services provider

The Company holds an investment in 200 ordinary shares of £1 each in MDHC Container Services Limited, representing the entire issued share capital of that company.

The registered office of MDHC Container Services Limited is: Maritime Centre, Port of Liverpool, Liverpool, L21 1LA

11. TANGIBLE FIXED ASSETS

	Group		Company	
	Capital work in progress £m	Total £m	Capital work in progress £m	Total £m
Cost				
As at 1 January 2024	-	-	-	-
Additions	0.2	0.2	0.2	0.2
As at 31 December 2024	0.2	0.2	0.2	0.2
Depreciation				
As at 1 January 2024	-	-	-	-
Charge for year	-	-	-	-
As at 31 December 2024	-	-	-	-
Net book value				
As at 31 December 2024	0.2	0.2	0.2	0.2
As at 31 December 2023	-	-	-	-

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

12. DEBTORS

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Amounts falling due within one year:				
Trade debtors	4.3	2.8	4.3	2.8
Amounts owed by subsidiary undertakings	-	-	3.3	2.1
Amounts owed by related party undertakings	6.2	4.7	1.5	0.9
Other debtors	1.6	1.4	1.6	1.4
Prepayments and accrued income	3.7	3.8	3.7	2.6
	15.8	12.7	14.4	9.8

The allowance for bad debt provision included in trade debtors above and the amounts that are past due but not impaired are immaterial for separate disclosure in the financial statements.

Included within prepayments and accrued income of £3.7m (2023: £3.8m) is a balance of £2.7m (2023: £3.4m) in respect of transactions with related parties within the Peel Ports Group Limited group of companies.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Trade creditors	0.5	0.1	0.5	0.1
Amounts owed to subsidiary undertakings	-	-	1.5	-
Amounts owed to related party undertakings	6.0	2.7	5.5	2.0
Other taxes and social security	2.6	2.3	-	-
Other creditors	0.3	0.5	-	0.1
Other accruals and deferred income	4.0	6.2	3.0	5.4
	13.4	11.8	10.5	7.6

Included within accruals and deferred income of £4.0m (2023: £6.2m) is a balance of £3.3m (2023: £5.2m) in respect of transactions with related parties within the Peel Ports Group Limited group of companies.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Loans due to relating undertakings	29.1	15.5	29.1	15.5
Loans and other borrowings (note 15)	29.1	15.5	29.1	15.5

Details of security on the above borrowings are disclosed in note 15.

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

15. LOANS AND OTHER BORROWINGS

	Group	
	2024	2023
	£m	£m
(a) Loans and other borrowings		
Due to related undertakings	29.1	15.5
	29.1	15.5

	Group	
	2024	2023
	£m	£m
(b) Maturity of loans and borrowings		
Between two and five years not by instalments (note 14)	29.1	15.5
	29.1	15.5

The Group's joint venture shareholders have provided unsecured loans of £25.2m (2023: £14.0m) to the Group. These have a term of ten years, repayable in 2029, and bear interest at 3% above the Bank of England base rate. In accordance with the terms of the loan agreements, both shareholders agreed to the capitalisation of total interest of £1.7m due for the year ended 31 December 2024 (2023: £0.8m).

16. FINANCIAL INSTRUMENTS

Disclosures in respect of the Group

	2024	2023
	£m	£m
Financial assets that are debt instruments measured at amortised cost		
- Trade debtors	4.3	2.8
- Amounts owed by related undertakings	6.2	4.7
- Other debtors	1.6	1.4
	12.1	8.9
Financial liabilities that are measured at amortised cost		
- Loans and other borrowings	(29.1)	(15.5)
- Trade creditors	(0.5)	(0.1)
- Amounts owed to related undertakings	(6.0)	(2.7)
- Other accruals (excluding deferred income)	(3.9)	(6.2)
- Other creditors	(0.3)	(0.5)
	(39.8)	(25.0)

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2024

16. FINANCIAL INSTRUMENTS (CONTINUED)

Disclosures in respect of the Company

	2024 £m	2023 £m
Financial assets that are debt instruments measured at amortised cost		
- Trade debtors	4.3	2.8
- Amounts owed by related undertakings	1.5	0.9
- Amounts owed by subsidiary undertakings	3.4	2.1
- Other debtors	1.6	1.4
	10.8	7.2
Financial liabilities that are measured at amortised cost		
- Loans and other borrowings	(29.1)	(15.5)
- Trade creditors	(0.5)	(0.1)
- Amounts owed to related undertakings	(5.5)	(2.0)
- Amounts owed to subsidiary undertakings	(1.2)	-
- Other accruals (excluding deferred income)	(3.3)	(5.4)
- Other creditors	-	(0.1)
	(39.6)	(23.1)

17. POST-EMPLOYMENT BENEFITS

Defined contribution scheme

The Company provides a defined contribution scheme, the Peel Ports Group Retirement Savings Plan, for its employees. The assets of the schemes are held separately from the assets of the Company and are administered and managed professionally by the insurance company. Benefits are provided based on actual contributions paid and investment performance. Company contributions to this pension scheme typically match those paid by employees, up to a maximum of 10% of pensionable salaries. To meet the Government's workplace savings legislation, the Company automatically enrolls employees who meet the eligibility criteria and are not members of a qualifying pension scheme into the Peel Ports Group Retirement Savings Plan.

The amount recognised as an expense for the defined contribution scheme was:

	2024 £m	2023 £m
Current year contributions (note 6)	1.8	1.8

18. SHARE CAPITAL AND OTHER RESERVES

	2024 Number	2023 Number	2024 £	2023 £
Allotted, called-up and fully paid share capital				
Ordinary 'A' shares of £1 each	100	100	100	100
Ordinary 'B' shares of £1 each	100	100	100	100
	100	100	100	100

On 15 January 2020, the Company re-designated 100 ordinary shares of £1 each as ordinary 'B' shares of £1 each and issued 100 ordinary 'A' shares of £1 each. The 100 ordinary 'B' shares are held by Peel Ports Containers Limited. The 100 ordinary 'A' shares were allotted to Terminal Investment Limited S.A.R.L. on 15 January 2020.

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

19. NOTES TO THE GROUP CASH FLOW STATEMENT

a) Reconciliation of loss to net cash outflow from operating activities

	2024	2023
	£m	£m
Continuing activities		
Loss for the year	(11.4)	(11.9)
Taxation	-	0.1
Net interest expense	1.7	0.8
Group operating loss	(9.7)	(11.0)
(Increase)/decrease in debtors	(3.1)	3.1
Increase in creditors	1.6	-
Cash outflow from continuing operational activities	(11.2)	(7.9)

b) Cash flow from investing activities

	2024	2023
	£m	£m
Payments to acquire tangible fixed assets	(0.2)	-

c) Cash flow from financing activities

	2024	2023
	£m	£m
New loans from related undertakings	11.9	7.0

20. ANALYSIS OF MOVEMENT IN GROUP NET DEBT

	As at 1 January 2024 £m	Cash flow £m	Other non- cash changes £m	Foreign exchange £m	As at 31 December 2024 £m
Cash at bank	2.1	0.5	-	-	2.6
Loans due to related undertakings	(15.5)	(11.9)	(1.7)	-	(29.1)
Debt	(15.5)	(11.9)	(1.7)	-	(29.1)
Net debt	(13.4)	(11.4)	(1.7)	-	(26.5)

Non-cash changes relate to the capitalisation of interest due to the joint venture shareholders on loans provided (see note 15).

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

21. RELATED PARTY TRANSACTIONS

Entities in the Peel Ports Group Limited group of companies

Related party	Transaction	2024 £m	2023 £m
The Mersey Docks and Harbour Company (RSCT) Limited	Sales	32.7	32.0
	Purchases	(3.9)	(4.2)
The Mersey Docks and Harbour Company Limited	Sales	0.5	0.7
	Purchases	(6.7)	(6.1)
	Lease costs	(9.6)	(6.7)
	Loans	(7.7)	(3.9)
Seaforth Power Limited	Purchases	(3.0)	(2.2)
Peel Ports Investments Limited	Purchases	(0.1)	-

At the balance sheet date the following significant amounts were due (to)/from related parties:

Related party		2024 £m	2023 £m
The Mersey Docks and Harbour Company Limited	Loans	(14.5)	(7.7)
	Other	(4.7)	(1.7)
The Mersey Docks and Harbour Company (RSCT) Limited	Other	5.5	3.7
Seaforth Power Limited	Other	(0.9)	(0.6)
Peel Ports Investments Limited	Other	(0.1)	-

Further information on the loans can be found in note 14.

Entities in the Terminal Investment Limited S.A.R.L. group of companies

Related party	Transaction	2024 £m	2023 £m
Terminal Investment Limited Holding S.A.	Loans	(7.7)	(3.9)

At the balance sheet date the following significant amounts were due (to) related parties:

Related party		2024 £m	2023 £m
Terminal Investment Limited Holding S.A.	Loans	(14.5)	(7.7)

Further information on the loans can be found in note 15.

THE MERSEY DOCKS AND HARBOUR COMPANY (L2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

22. OTHER FINANCIAL COMMITMENTS

As at 31 December, the Group and Company had the following minimum lease payments under non-cancellable operating leases for each of the following periods:

	2024	2023
	£m	£m
Within one year	8.3	8.0
Within two to five years	37.1	35.1
After five years	257.1	253.3
	<u>302.5</u>	<u>296.4</u>

23. SHAREHOLDERS AND ULTIMATE CONTROLLING PARTY

The Company is jointly owned by Peel Ports Containers Limited, a company registered in Great Britain, and Terminal Investment Limited S.a.r.l., a company registered in Switzerland. Both parties contribute equally in the control of the Company, as such the directors are of the opinion that there is no ultimate controlling party.