

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
FOR
HUMBER FREEPORT COMPANY LIMITED**

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HUMBER FREEPORT COMPANY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2024**

DIRECTORS:

J L Barnes
S A Bird
A C Borgstrom
A J Codd
N P Juster
A S Menzies
S R Parnaby
P J Pogue
L A Potts
M J Walker
G A Lacey

REGISTERED OFFICE:

Marina Court
Castle Street
Hull
HU1 1TJ

REGISTERED NUMBER:

13470809 (England and Wales)

AUDITORS:

Smailes Goldie
Regents Court
Princess Street
Hull
HU2 8BA

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2024**

The directors present their report with the financial statements of the company for the year ended 31 March 2024.

REVIEW OF BUSINESS

During 2024 Humber Freeport agreed a Memorandum of Understanding with central Government which not only entitled the Freeport to become unconditional but also triggered the release of approval of the Customs Site and of Seed Capital finance to broaden and deepen the impact of the Freeport Humber wide.

Announced investment totals are now in excess of £1.2m helping to create over 700 jobs with the first of these projects now on site entering their construction phase.

Recent Government assurance and performance assessments have rated the Humber Freeport highly and have been communicated as such through formal letters.

DIRECTORS

The directors who have held office during the period from 1 April 2023 to the date of this report are as follows:

J L Barnes - appointed 19 June 2023
S Bird - appointed 19 June 2023 - resigned 19 June 2023
S A Bird - appointed 19 June 2023
A C Borgstrom - appointed 19 June 2023
R E Carver - appointed 19 June 2023 - resigned 21 August 2023
A J Codd - appointed 1 October 2023
D L Gwynne - resigned 19 June 2023
M P Jones - appointed 19 June 2023 - resigned 17 September 2023
N P Juster - appointed 21 August 2023
R McIntyre - appointed 19 June 2023 - resigned 30 August 2023
A S Menzies - appointed 19 June 2023
S R Parnaby - appointed 19 June 2023
P J Pogue - appointed 19 June 2023
L A Potts - appointed 1 March 2024
M J Walker - appointed 10 October 2023

G A Lacey was appointed as a director after 31 March 2024 but prior to the date of this report.

GOING CONCERN

The company's principal activity is to accelerate economic transformation across the Humber region by attracting inward investment. The company was recently incorporated and has executed its first Site Specific Agreements with Land Owners in the year to generate income. However, during the initial start-up phase, the company has been provided with working capital funding from its four Local Authorities through a loan with North East Lincolnshire Council. The company has reported a loss in the period and a net liability position at the balance sheet date.

In considering the company's ability to continue as a going concern, the Directors have considered the company cashflow forecasts for the financial years 2024/25 and 2025/26 and the company's current financial position. The Directors have determined that the company may continue to require the support of its four Local Authorities during the start up phase of its operations and have therefore obtained written confirmation from North East Lincolnshire Council that such funding will continue to be provided, should it be required, during the going concern assessment period. The Directors, having satisfied themselves that NELC has the ability to provide this funding should it be required, concluded that the company remains a going concern.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2024**

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Report of the Directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A C Borgstrom - Director

5 December 2024

Opinion

We have audited the financial statements of Humber Freeport Company Limited (the 'company') for the year ended 31 March 2024 which comprise the Income Statement, Balance Sheet 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 March 2024 and of its loss 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 Auditors' 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

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 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.

Other matter

The financial statements for the previous period were unaudited.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page three, 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 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.

Auditors' 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 a Report of the Auditors 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, FRS102, taxation legislation, data protection and anti-bribery. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including, obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

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 Report of the Auditors.

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 a Report of the Auditors 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.

Matthew Fox FCCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Regents Court
Princess Street
Hull
HU2 8BA

23 December 2024

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

		31.3.24	31.3.23
	Notes	£	£
TURNOVER		420,017	-
Administrative expenses		<u>363,467</u>	<u>-</u>
OPERATING PROFIT	4	56,550	-
Exceptional item	5	<u>779,137</u>	<u>-</u>
LOSS BEFORE TAXATION		(722,587)	-
Tax on loss	6	<u>(180,647)</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(541,940)</u>	<u>-</u>

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2024

		31.3.24	31.3.23
	Notes	£	£
CURRENT ASSETS			
Debtors	7	594,291	-
Cash at bank		<u>79,515</u>	<u>-</u>
		673,806	-
CREDITORS			
Amounts falling due within one year	8	<u>1,215,746</u>	<u>-</u>
NET CURRENT LIABILITIES		<u>(541,940)</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(541,940)</u>	<u>-</u>
RESERVES			
Retained earnings		<u>(541,940)</u>	<u>-</u>
		<u>(541,940)</u>	<u>-</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 5 December 2024 and were signed on its behalf by:

A C Borgstrom - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. **STATUTORY INFORMATION**

Humber Freeport Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is attributable to the continuing operations and principal activities carried on within the UK. All turnover arises solely in the UK.

Turnover relates to contracts held by Humber Freeport Company Limited with the various land owners of the designated tax sites within the wider Freeport.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Going concern

The company's principal activity is to accelerate economic transformation across the Humber region by attracting inward investment. The company was recently incorporated and has executed its first Site Specific Agreements with Land Owners in the year to generate income. However, during the initial start-up phase, the company has been provided with working capital funding from its four Local Authorities through a loan with North East Lincolnshire Council. The company has reported a loss in the period and a net liability position at the balance sheet date.

In considering the company's ability to continue as a going concern, the Directors have considered the company cashflow forecasts for the financial years 2024/25 and 2025/26 and the company's current financial position. The Directors have determined that the company may continue to require the support of its four Local Authorities during the start up phase of its operations and have therefore obtained written confirmation from North East Lincolnshire Council that such funding will continue to be provided, should it be required, during the going concern assessment period. The Directors, having satisfied themselves that NELC has the ability to provide this funding should it be required, concluded that the company remains a going concern.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2023 - NIL).

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.24	31.3.23
	£	£
Auditor's remuneration	<u>13,650</u>	<u>-</u>

5. EXCEPTIONAL ITEMS

	31.3.24	31.3.23
	£	£
Exceptional item	<u>(779,137)</u>	<u>-</u>

Exceptional costs relate to costs incurred as part of the Freeport BID proposal, further details are included in note 10.

6. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	31.3.24	31.3.23
	£	£
Deferred tax	<u>(180,647)</u>	<u>-</u>
Tax on loss	<u>(180,647)</u>	<u>-</u>

UK corporation tax has been charged at 25% .

Factors affecting the tax charge for the year

The tax charge for the year is at the standard rate of corporation tax in the UK, 25% (2023 19%) as explained below:

	2024	2023
£	£	
Loss before taxation	(722,586)	-
Tax credit on loss at UK standard rate of corporation tax of 25%	180,647	-

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23
	£	£
Trade debtors	227,472	-
VAT	168,172	-
Deferred tax asset	180,647	-
Prepayments and accrued income	<u>18,000</u>	<u>-</u>
	<u>594,291</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23
	£	£
Trade creditors	189,980	-
Owed to related parties	1,005,413	-
Accruals and deferred income	20,353	-
	<u>1,215,746</u>	<u>-</u>

9. DEFERRED TAX

	£
Credit to Income Statement during year	(180,647)
Balance at 31 March 2024	<u>(180,647)</u>

A deferred tax asset has been recognised on tax losses and supported by the contractual arrangements and financial projections of the Company.

10. RELATED PARTY DISCLOSURES

As at the 31st March 2024 North East Lincolnshire Council (NELC) had made payments of £1,005,413 (gross) as part of the Freeport BID process. These costs were formally invoiced to the company in July 2024 with an agreement now in place for compound interest rate of 4.8% per annum to accumulate on this balance until such time as the Freeport generates sufficient retained rates to enable the company to apply to the Public Finance Committee for grant funding of the same amount.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.