Registered No: 02566501

Tyne Logistics Company Limited

Annual Report and Financial Statements

31 December 2022

Registered No: 02566501

Directors

M H Beeton
M A Stoner

Secretary
Muckle Secretary Limited

Auditors
Haines Watts North East Audit LLP
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Registered Office
Maritime House
Tyne Dock
South Shields
Tyne and Wear
NE34 9PT

Strategic report

Registered No: 02566501

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

Business review

The company's principal activity continued to be container handling.

The container volumes for 2022 decreased by 3% in comparison to 2021, with PBT of £3m in 2022 compared to £3m in 2021. Turnover increased to £10.2m, up 10% from £9.3m in 2021.

Results and dividends

The profit for the year, after taxation, amounted to £3m (2021: £2.4m). The directors do not recommend the payment of a dividend for the year (2021: £nil).

Future developments

Service to customers will remain central to the Company's strategy in order to remain competitive in a challenging market. The Company will continue to encourage end users to look at the efficiencies and cost savings of utilising the feeder services into the Port. The Port will continue to support the increased Container volume commitments.

Going Concern

The financial statements have been prepared on a going concern basis. At 31 December 2022, the company had cash balances of £2.1m, net current assets of £12m and net assets of £14.7m.

The directors have therefore concluded that it continues to be appropriate to adopt the going concern basis for Tyne Logistics Company Limited.

By order of the Board

DocuSigned by:

Matthew Beeton

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M H Beeton
Director

15th June 2023

Directors' report

The Strategic Report, as detailed on page 2, covers the areas of Going Concern, Results and Dividends and Future Developments.

Directors

The directors who held office during the year are listed on page 1

Financial risk management policy

The Company's principal financial instruments comprise cash. Other financial assets and liabilities, such as trade creditors and trade debtors, arise directly from the Company's operating activities.

The main risks associated with the Company's financial assets and liabilities are set out below.

Interest rate risk

The Company invests surplus cash in a floating rate interest yielding bank deposit account and has access to a floating rate interest bearing overdraft facility. The Company's interest income and expenses are therefore affected by movements in interest rates. The Company does not undertake any hedging activity.

Credit risk

The Company has external debtors; however, the Company undertakes assessments of its customers in order to ensure that credit is not extended where there is a likelihood of default.

Liquidity risk

The Company aims to mitigate liquidity risk by managing cash generated by its operations.

Directors' liabilities

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

During the year the Company had in force an indemnity provision in favour of one or more directors of the Company, against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed reappointed and Haines Watts North East Audit LLP will therefore continue in office

By order of the Board

DocuSigned by:
Matthew Beeton
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M H Beeton
Director
15th June 2023

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, 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 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 judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 Tyne Logistics Company Limited

Opinion

We have audited the financial statements of Tyne Logistics Company Limited (the 'company') for the year ended 31 December 2022 which comprise Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor 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 information

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

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

Independent auditor's report

to the members of Tyne Logistics Company Limited

- the strategic report and the directors' report have 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 strategic report and 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, 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.

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 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.

Auditor 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.

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:

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with directors and other management. The most significant were identified as the Companies Act 2006, FRS 102, relevant tax legislation and health and safety regulation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- Confirming with the directors and management, including the Chief Financial Officer, whether they have any knowledge or suspicion of fraud;
- Assessing the entity level control environment through review of board and audit committee minutes and internal audit reports;
- Assessing the risk of management override of controls including identifying and testing a sample of journal entries.

Independent auditor's report

to the members of Tyne Logistics Company Limited

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to the inherent limitations of audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for. 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.

DocuSigned by:
Donna Bulmer
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Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)

For and on behalf of Haines Watts North East Audit LLP

Chartered Accountants

Statutory Auditors

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

15th June 2023

Income Statement

for the year ended 31 December 2022

	Notes	*2022* *£000*	*2021* *£000*
Turnover	2	10,214	9,264
Operating costs		(7,432)	(6,271)
Gross profit		2,782	2,993
Administrative expenses		(14)	(4)
Gross operating profit		2,768	2,989
Profit on disposal of fixed assets		-	17
Profit before interest and taxation		*2,768*	*3,006*
Interest receivable	6	104	22
Interest payable	7	-	(1)
Profit on ordinary activities before taxation		2,872	3,027
Tax charge on profit on ordinary activities	8	99	(666)
Profit for the financial year		2,971	2,361

All amounts relate to continuing activities.

Statement of Comprehensive Income

for the year ended 31 December 2022

	2022 £000	2021 £000
Profit for the financial year	2,971	2,361
Total other comprehensive income	-	-
Total comprehensive income for the year	2,971	2,361

Statement of Changes in Equity

	Called up Share Capital £000	P&L Reserve £000	Total Reserves £000
At 1 January 2021	40	9,374	9,414
Profit for the year	-	2,361	2,361
Total comprehensive income for the year	-	2,361	2,361
At 31 December 2021	40	11,735	11,775
Profit for the year	-	2,971	2,971
Total comprehensive income for the year	-	2,971	2,971
At 31 December 2022	**40**	**14,706**	**14,746**

Statement of Financial Position

as at 31 December 2022

	Notes	2022 £000	2021 £000
Fixed assets			
Tangible assets	9	3,205	3,644
Current assets			
Debtors	10	10,406	6,703
Cash at bank and in hand		2,134	3,230
		12,540	9,933
Creditors: amounts falling due within one year	11	(502)	(1,261)
Net current assets		12,038	8,672
Total assets less current liabilities		15,243	12,316
Provisions for liabilities and charges	12	(497)	(541)
Net assets		**14,746**	**11,775**
Capital and reserves			
Called up share capital	13	40	40
Profit and loss account	14	14,706	11,735
Reserves		**14,746**	**11,775**

These financial statements were approved and authorised for issue by the Board of Directors on 15th June 2023 and were signed on its behalf by:

DocuSigned by:

Matthew Beeton

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M H Beeton
Director

Notes to the financial statements

as at 31 December 2022

1. Accounting policies

Statement of Compliance

Tyne Logistics Company Limited is a limited liability company incorporated in England. The Registered Office is Maritime House, Tyne Dock, South Shields, Tyne & Wear, NE34 9PT.

The Company's financial statements have been prepared in compliance with FRS 102, reduced disclosures, as it applies to the financial statements of the Company for the year ended 31 December 2022.

Basis of preparation

The financial statements of Tyne Logistics Company Limited were approved for issue by the Board of Directors on 15th June 2023. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000.

In these financial statements, the Company has applied the exemptions available under FRS 102 in respect of the following disclosures:

– the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)

– the requirements of Section 7 Statement of Cash Flows

– the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A

– the requirements of Section 33.7 and 33.1A Related Party Disclosures

The consolidated financial statements of Port of Tyne Authority, within which this company is included, can be obtained from the registered office (see note 20).

Going Concern

The financial statements have been prepared on a going concern basis. At 31 December 2022, the company had cash balances of £2.1m, net current assets of £12m and net assets of £14.7m.

The directors have therefore concluded that it continues to be appropriate to adopt the going concern basis for Tyne Logistics Company Limited.

Notes to the financial statements

as at 31 December 2022

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Operating lease commitments: The Company has entered into property, vehicle and trailer operating leases and, as a lessee, it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Taxation: Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Significant accounting policies

Property Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Motor vehicles	-	4 years
Plant and machinery	-	5 to 20 years
Computer and office equipment	-	3 years
Furniture, fixtures and fittings	-	5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue Recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Revenue is recognised when services are physically provided to the customer and represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of consideration due.

Where payments are received in advance of services provided, the amounts are recorded as Deferred Income and are included as part of Creditors due within one year.

Notes to the financial statements

as at 31 December 2022

1. Accounting policies (continued)

Provisions for liabilities

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

Deferred tax is recognised where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet.

Notes to the financial statements

as at 31 December 2022

1. Accounting policies (continued)

Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Post-retirement benefits

The Company contributes to personal pension schemes for some employees. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Dividends on shares presented within shareholders' funds

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

Notes to the financial statements

as at 31 December 2022

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax.

The whole of the Company's turnover arises from the continuing provision of container handling and other related services. All turnover arises from operations within the UK.

3. Operating profit

This is stated after charging:

	2022 £000	2021 £000
Auditors' remuneration for audit services	10	10
	-	-
Depreciation of tangible fixed assets:		
- owned	447	468
	447	468
Operating lease rentals	507	449

Notes to the financial statements

as at 31 December 2022

4. Staff costs

	2022 £000	2021 £000
Wages and salaries	2,369	1,967
Social security costs	252	199
Other pension costs	118	95
	2,739	2,261

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

	2022 No.	2021 No.
Logistics services	50	47
Accounting and administration	12	9
	62	56

Notes to the financial statements

as at 31 December 2022

5. Directors' remuneration

Directors' remuneration is recognised wholly within Port of Tyne Authority. Time spent within TLC is immaterial.

6. Interest receivable and similar income

	2022 £000	2021 £000
On amounts owed by ultimate parent undertaking	101	22
Other interest receivable	3	-
	104	22

7. Interest payable and similar charges

	2022 £000	2021 £000
Other interest payable	-	1
	-	1

Notes to the financial statements
as at 31 December 2022

8. Taxation

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2022 £000	2021 £000
Current tax:		
UK corporation tax on the profit for the year	-	599
Adjustment re prior year	(55)	(39)
Total current tax	(55)	560
Deferred tax:		
Origination and reversal of timing differences	(44)	106
Tax charge on profit on ordinary activities	(99)	666

(b) Factors affecting the total tax charge:

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are reconciled below:

	2022 £000	2021 £000
Profit on ordinary activities before taxation	2,872	3,027
Profit on ordinary activities before taxation multiplied by the rate of corporation tax in the UK of 19% (2021: 19%)	546	575
Effects of:		
In respect of previous periods	(55)	(39)
Group Relief	(579)	-
Adjustment of opening / closing deferred tax to average rate	(11)	130
Total tax charge	(99)	666

Notes to the financial statements

as at 31 December 2022

9. Tangible fixed assets

	Total £000
Cost:	
At 1 January 2022	9,133
Additions	8
Disposals	-
At 31 December 2022	9,141
Depreciation:	
At 1 January 2022	5,489
Charge for year	447
On disposals	-
At 31 December 2022	5,936
Net book value:	
At 31 December 2022	3,205
At 31 December 2021	3,644

10. Debtors

	2022 £000	2021 £000
Trade debtors	1,714	2,105
Prepayments	79	108
Other Debtors	10	-
Amounts owed by ultimate parent undertaking	8,603	4,490
	10,406	6,703

Interest is accrued on group balances on an arm's length basis. Debt due from parent is payable on demand.

Notes to the financial statements

as at 31 December 2022

11. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	88	209
Taxation and social security	47	63
Accruals and deferred income	366	387
Corporation tax	-	599
Other creditors	1	3
	502	1,261

12. Provision for liabilities and charges: deferred taxation

The amounts provided for deferred tax and the full potential charge calculated at 25% (2021: 25%), are set out below:

	2022 £000	2021 £000
Fixed asset timing differences	502	541
Short term timing differences	(5)	-
Deferred tax liability	**497**	**541**

	£000	£000
At beginning of year	541	435
Movement in the year	(44)	106
At the end of the year	**497**	**541**

13. Called up share capital

	2022 £000	2021 £000
Authorised 80,000 Ordinary shares of £1 each	80	80

Allotted, called up and fully paid	2022 No.	2021 No.	2022 £000	2021 £000
Ordinary shares of £1 each	40,000	40,000	40	40

Notes to the financial statements

as at 31 December 2022

14. Reserves

Profit and loss account

This reserve records cumulative profit and loss less any dividends paid.

15. Commitments

There are no capital commitments at the end of the financial year (2021: £3k).

Future minimum rentals under non-cancellable operating leases are as follows:

	2022 £000	2021 £000
In less than one year	352	337
In the second to fifth years inclusive	166	295
	518	632

16. Pension scheme

The Company participates in a defined contribution scheme for which the charge for the year was £118,000 (2021: £94,000).

There were no outstanding contributions at both the beginning and end of the year.

17. Related party disclosures

In accordance with FRS 102, reduced disclosures, the Company is exempt from the requirement to disclose related party transactions with group companies on the grounds that it is a wholly owned subsidiary undertaking of the Port of Tyne Authority.

18. Ultimate parent company

The Company is a wholly owned subsidiary undertaking of the Port of Tyne Authority based in the United Kingdom. The financial statements are publicly available from Maritime House, Tyne Dock, South Shields, Tyne and Wear, NE34 9PT.

19. Off balance sheet arrangements

The entity enters into operating lease arrangements for the hire of buildings and plant and equipment as these arrangements are a cost effective way of obtaining the short term benefits of these assets. The lease rental expense is disclosed in note 3 and the future commitments under these arrangements are disclosed in note 15. There are no other material off-balance sheet arrangements.

20. Post balance sheet events

In June 2023, the Port of Tyne Group secured a £100m refinancing package with Pricoa, UK Investment Bank, and Lloyds Bank Commercial Banking. This ten year agreement comprises a £45m fixed loan notes, a £50m capex facility, and a £5m RCF.

Notes to the financial statements

as at 31 December 2022

Interest is payable on the loan notes at 7.64%. The margin payable on the capex facility is 3.39% above SONIA if floating, 3.25% above UK Gilt Rate if fixed. The margin payable on the RCF is 3.00% above SONIA. The structure of the facility provides that the margins increase in steps in the event that leverage exceeds x6 .

The purpose of the facilities is to refinance existing loans and to finance current and future expansion plans of the business. Monies drawn are secured on a number of assets at Tyne Dock, South Shields.