

Scrabster Harbour Trust

**Board members' report and financial statements
for the year ended 31 March 2016**

Saffery Champness
CHARTERED ACCOUNTANTS

Scrabster Harbour Trust

Trust information

Board members

Frank Bremner
Colin Calder (Vice Chairman)
Sandy Mackie
Simon Middlemas
Thomas Pottinger (Chairman)
Douglas Robertson
William Thomson

Clerk to the Board

Ewan Thoms

Business address

Harbour Office
Scrabster
Caithness
KW14 7UJ

Independent auditors

Saffery Champness
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

Solicitors

Young Robertson & Co
29 Traill Street
Thurso
Caithness
KW14 8EQ

Burness Paull LLP
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

Scrabster Harbour Trust

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Scrabster Harbour Trust

Board report

For the year ended 31 March 2016

The Board present their report and financial statements for the year ended 31 March 2016.

Principal activities

The Trust was established under the Scrabster Harbour Act 1841 with the power to build and operate a harbour in Scrabster. Since that date various amendments to the original Act have taken place, which have allowed the Harbour to be developed and expanded.

Commercially 2015-16 was a particularly successful trading year for the Trust. The 2015-16 financial statements show a 5% increase in turnover compared to the prior year. There was strong performance across nearly all of the trading sectors, reflecting growth in vessel arrivals and tonnage. Profit before tax was 6.2% higher than the prior year reflecting the stronger revenue position.

The Trust has continued to invest in assets and equipment. The additions in the year included land development, harbour vehicles and improved user services.

The political and business environment continues to be uncertain particularly following the recent Brexit vote. It is not clear how this will impact on the harbour and the wider economy. However our previous investment in improved port infrastructure means Scrabster is well positioned for the future and the growth in port activity and revenue since the construction of the Jubilee Quay has been encouraging. Oil and gas activity is increasing to the West of Shetland. The improved infrastructure is also being well used by a range of project activities for storage and heavy lift operations. The autumn of 2016 should see the first deployment of tidal turbines in the Pentland Firth.

The Trust continues to engage with the relevant agencies and bodies to advance its development programme. The priority project being a replacement ice plant.

Results

The profit before taxation for the year was £508,776 (2015: £478,983) on a turnover of £2,752,767 (2015: £2,618,079).

Net operating costs have increased from £1,870,935 in the previous year to £1,985,285.

Board members

The members who held office during the year and up to the date of signature of the financial statements were as follows:

Frank Bremner	
Colin Calder	Vice Chairman
Sandy Mackie	
Simon Middlemas	
Thomas Pottinger	Chairman
Douglas Robertson	
William Thomson	
John Cormack	(Resigned 5 October 2015)
Gordon MacKenzie	(Resigned 26 June 2015)

Scrabster Harbour Trust

Board report

For the year ended 31 March 2016

Charitable donations

During the year, the Trust donated £1,000 (2015: £3,200) to charities. Of this, £1,000 (2015: £2,700) was to local charities. In 2015 £500 was donated to the Royal National Mission to Deep Sea Fishermen.

The Scrabster Harbour Revision (Constitution) Order 2005

The Scrabster Harbour Revision (Constitution) Order 2005 (the "Order") reconstituted Scrabster Harbour Trust. The grant of the Order on 2 March 2005 provided the Trust with a modernised constitution which complies with the Government's document 'Modernising Trust Ports - A Guide to Good Governance'. The new constitution date was 7 November 2005, being the date of the first Annual General Meeting of the Trust occurring more than three months after the coming into force of the Order.

Under the new constitution the Trust is managed by the Board of between six and eight persons with experience in relevant matters.

On the new constitution date, all the powers and duties of the Trustees vested in the Board except those given to Trust Body by Article 12 of the Order, all assets and liabilities of the Trustees vested in the Trust and the Trustees were extinguished, but the Body Corporate established by the Act of 1841 remains a Body Corporate with perpetual succession.

The Order includes provisions with regard to the establishment of a Trust Body designed to maintain and develop the links with the community by encouraging continuing stakeholder interest. The Trust Body came into being on 12 September 2005.

The Order also extends the seaward limit of the Harbour and repeals or revokes certain statutory provisions.

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the Trust.

Statement of disclosure to auditors

So far as the Board is aware, there is no relevant audit information of which the Trust's auditors are unaware. Additionally, the Board have taken all the necessary steps that they ought to have taken as Board Members in order to make themselves aware of all relevant audit information and to establish that the Trust's auditors are aware of that information.

On behalf of the board



Thomas Pottinger

Chairman

12th September 2016

Scrabster Harbour Trust

Board members responsibilities statement

For the year ended 31 March 2016

The Board members are responsible for preparing the Board's Report and financial statements in accordance with applicable laws and United Kingdom Generally Accepted Accounting Practice.

The Scrabster Act 1841, as amended by The Scrabster Harbour Order 1897 and the Scrabster Harbour Revision (Constitution) Order 2005 requires the Board to prepare financial statements for each financial year. The Board is required to submit its annual statement of accounts to the annual general meeting of the Trust. These financial statements should give a true and fair view of the state of affairs of the Trust and of the profit or loss of the Trust for that period.

In preparing those financial statements, the board members 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 Trust will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Scrabster Harbour Act 1841. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Thomas Pottinger
Chairman

12th September 2016

Scrabster Harbour Trust

Independent auditors' report

To the members of Scrabster Harbour Trust

We have audited the financial statements of Scrabster Harbour Trust for the year ended 31 March 2016 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

This report is made solely to the Trust's Board, as a body, in accordance with the Scrabster Harbour Act 1841, as amended. Our audit work has been undertaken so that we might state to the Trust's Board 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 Trust and the Trust's Board as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Board members and auditors

As explained more fully in the Board Members Responsibilities Statement set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 March 2016 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 Scrabster Harbour Act 1841, as amended.

Scrabster Harbour Trust

Independent auditors' report

To the members of Scrabster Harbour Trust

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required 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 Board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**David Hughes (Senior Statutory Auditor)
for and on behalf of Saffery Champness**

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**Chartered Accountants
Statutory Auditors**

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

Scrabster Harbour Trust

Profit and loss account

For the year ended 31 March 2016

		2016	2015
	Notes	£	£
Turnover	2	2,752,767	2,618,079
Administrative expenses		(2,913,641)	(3,016,792)
Other operating income		928,356	1,145,857
Operating profit	3	767,482	747,144
Interest receivable and similar income		13,472	10,260
Interest payable and similar charges		(272,178)	(278,421)
Profit before taxation		508,776	478,983
Taxation	5	(138,151)	(166,043)
Profit for the financial year	12	370,625	312,940

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses other than those passing through the profit and loss account.

The notes on pages 9 to 22 form part of these financial statements.


Scrabster Harbour Trust

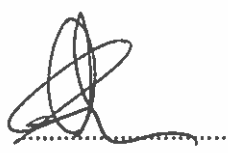
Balance sheet
As at 31 March 2016

	Notes	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	6		36,439,402		37,438,891
Current assets					
Debtors	7	417,961		571,667	
Cash at bank and in hand		3,074,550		2,711,746	
		3,492,511		3,283,413	
Creditors: amounts falling due within one year	8	(694,860)		(937,348)	
Net current assets			2,797,651		2,346,065
Total assets less current liabilities			39,237,053		39,784,956
Creditors: amounts falling due after more than one year	9		(4,322,208)		(4,488,428)
Provisions for liabilities	10		(116,206)		(127,029)
Accruals and deferred income	11		(25,671,590)		(26,413,075)
Net assets			9,127,049		8,756,424
Trust funds					
Profit and loss account	12		9,127,049		8,756,424

The notes on pages 9 to 22 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on ~~12th September 2016~~ and are signed on its behalf by:


Thomas Pottinger
Chairman


Colin Calder
Vice Chairman

Scrabster Harbour Trust

Statement of cash flows

For the year ended 31 March 2016

	Notes	£	2016 £	£	2015 £
Cash flows from operating activities					
Cash generated from operations	16		1,018,729		1,076,127
Interest paid			(272,178)		(278,421)
Corporate taxes paid			(135,260)		(95,062)
Net cash inflow from operating activities			611,291		702,644
Investing activities					
Purchase of tangible fixed assets		(93,117)		(1,010,657)	
Proceeds on disposal of tangible fixed assets		-		37,528	
Interest received		13,472		10,260	
Net cash used in investing activities			(79,645)		(962,869)
Financing activities					
Government grant (repaid)/ received		(13,426)		977,291	
Repayment of bank loans		(155,416)		(148,722)	
Net cash (used in)/generated from financing activities			(168,842)		828,569
Net increase in cash and cash equivalents			362,804		568,344
Cash and cash equivalents at beginning of year			2,711,746		2,143,402
Cash and cash equivalents at end of year			3,074,550		2,711,746

Scrabster Harbour Trust

Notes to the financial statements For the year ended 31 March 2016

1 Accounting policies

Company information

Scrabster Harbour Trust is a trust established under the Scrabster Harbour Act 1841 with the power to build and operate a harbour in Scrabster. Since that date various amendments to the original Act have taken place, which have allowed the Harbour to be developed and expanded. The registered office is Harbour Office, Scrabster, Caithness, KW14 7UJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Scrabster Harbour Revision (Constitution) Order 2005. The exemptions available under FRS 102 section 1A have been applied as the Trust qualifies as a small entity. The impact of adopting FRS 102 is highlighted in Note 17.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Harbour and buildings	50 years
Crafts, equipment and floating plant	10 - 20 years
Office equipment	10 years
Motor vehicles	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1 Accounting policies (continued)

1.4 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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.

1 Accounting policies (continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors 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 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

1 Accounting policies (continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable nor deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.8 Retirement benefits

The Trust contributes to a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rule of the scheme.

1.9 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Scrabster Harbour Trust

Notes to the financial statements (continued) For the year ended 31 March 2016

1 Accounting policies (continued)

1.10 Government grants

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal instalments.

Grants of a revenue nature are credited to the profit and loss account in the period to which they relate.

1.11 Cash at bank and in hand

Cash held on deposit is included in cash in hand.

2 Turnover and other revenue

An analysis of the Trust's turnover is as follows:

	2016	2015
	£	£
Turnover		
Dues receivable	2,649,237	2,438,532
Car parking	7,523	8,210
Service sales	58,535	53,015
Miscellaneous sales	33,625	98,682
Fuel wharfage charges	3,847	19,640
	<u>2,752,767</u>	<u>2,618,079</u>
Other significant revenue		
Interest income	13,472	10,260
Grants received	725,653	961,181
Rental income	202,703	184,676
	<u>941,828</u>	<u>1,156,117</u>
Turnover analysed by geographical market		
	2016	2015
	£	£
United Kingdom	<u>2,752,767</u>	<u>2,618,079</u>

Scrabster Harbour Trust

Notes to the financial statements (continued) For the year ended 31 March 2016

3 Operating profit

	2016	2015
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the Trust's auditors for the audit of the financial statements	8,100	8,200

4 Employees

The average monthly number of persons (including Board Members) employed by the Trust during the year was: 28 (2015: 28).

5 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	148,974	135,260
Adjustments in respect of prior periods	-	4,182
Total current tax	<u>148,974</u>	<u>139,442</u>
Deferred tax		
Origination and reversal of timing differences	(10,823)	26,601
Total tax charge	<u><u>138,151</u></u>	<u><u>166,043</u></u>

Scrabster Harbour Trust

**Notes to the financial statements (continued)
For the year ended 31 March 2016**

5 Taxation (continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2016	2015
	£	£
Profit before taxation	508,776	478,983
Expected tax charge based on a corporation tax rate of 20.00% (2015 - 21.00%)	101,755	100,586
Tax effect of expenses that are not deductible in determining taxable profit	765	11,187
Tax effect of income not taxable in determining taxable profit	(479)	(2,567)
Adjustments in respect of prior years	-	3,307
Permanent capital allowances in excess of depreciation	-	(31,051)
Other short term timing differences	-	4,058
Marginal relief	-	(2,092)
Fixed asset differences	49,021	56,014
Adjustment to closing deferred tax	(12,911)	26,601
Tax expense for the year	138,151	166,043

Scrabster Harbour Trust

Notes to the financial statements (continued)

For the year ended 31 March 2016

6 Tangible fixed assets

	Harbour and buildings	Crafts, equipment and floating plant	Total
	£	£	£
Cost			
At 1 April 2015	48,304,879	1,954,150	50,259,029
Additions	69,644	23,473	93,117
At 31 March 2016	<u>48,374,523</u>	<u>1,977,623</u>	<u>50,352,146</u>
Depreciation and impairment			
At 1 April 2015	12,241,436	578,702	12,820,138
Depreciation charged in the year	970,759	121,847	1,092,606
At 31 March 2016	<u>13,212,195</u>	<u>700,549</u>	<u>13,912,744</u>
Carrying amount			
At 31 March 2016	<u>35,162,328</u>	<u>1,277,074</u>	<u>36,439,402</u>
At 31 March 2015	<u>36,063,443</u>	<u>1,375,448</u>	<u>37,438,891</u>

7 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	266,899	260,242
Other debtors	108,811	274,515
Prepayments and accrued income	42,251	36,910
	<u>417,961</u>	<u>571,667</u>

Scrabster Harbour Trust

Notes to the financial statements (continued)
For the year ended 31 March 2016

8 Creditors: amounts falling due within one year

	2016	2015
	£	£
Loans and overdrafts	166,220	155,416
Trade creditors	179,646	473,119
Corporation tax payable	148,974	135,260
Other taxation and social security	19,451	19,619
Accruals and deferred income	180,569	153,934
	<u>694,860</u>	<u>937,348</u>

All bank facilities are secured by a legal first charge over certain buildings and land owned by the Trust.

9 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Loans and overdrafts	<u>4,322,208</u>	<u>4,488,428</u>
Analysis of loans		
Wholly repayable after 5 years	<u>4,488,428</u>	<u>4,643,844</u>
	4,488,428	4,643,844
Included in current liabilities	<u>(166,220)</u>	<u>(155,416)</u>
	<u>4,322,208</u>	<u>4,488,428</u>
Loan maturity analysis		
In more than one year but not more than two years	166,220	155,416
In more than two years but not more than five years	737,426	708,328
In more than five years	<u>3,584,782</u>	<u>3,780,099</u>

10 Provisions for liabilities

	2016	2015
	£	£
Deferred tax liabilities	<u>116,206</u>	<u>127,029</u>

Scrabster Harbour Trust

Notes to the financial statements (continued)

For the year ended 31 March 2016

11 Grants and deferred income	Government grants	
	£	
Balance at 1 April 2015	26,356,102	
Grants additions during the year	6,000	
Grants repaid during the year	(19,426)	
Amortisation in the year	(725,653)	
Balance at 31 March 2016	<u>25,617,023</u>	
	Deferred income	
	£	
Rental income	49,194	
Deferred composite dues	5,373	
	<u>54,567</u>	
Balance at 31 March 2016	<u>25,671,590</u>	
Balance at 31 March 2015	<u>26,413,075</u>	
12 Reserves	2016	2015
	£	£
At beginning of year	8,756,424	8,443,484
Profit for the year	370,625	312,940
At end of year	<u>9,127,049</u>	<u>8,756,424</u>

Scrabster Harbour Trust

Notes to the financial statements (continued)

For the year ended 31 March 2016

13 Pilotage activities

	2016	2015
	£	£
Statement under regulation 4 of the Statutory Harbour Undertakings (Pilotage Accounts) Regulations 1988 in respect of pilotage activities.		
Revenue from pilotage activities	47,491	41,078
Expenses incurred in:		
Providing the services of pilots	10,702	18,316
Providing a pilot boat and crew	19,164	11,323

The foregoing items of income and expenditure have been included in the Profit and Loss Account of the Trust.

14 Controlling party

The operations and activities of the Trust are controlled by the Board members. There is no single controlling party.

15 Related party transactions

During the year the Trust carried out transactions with related parties. Sales and purchases on normal commercial terms were carried out with the following businesses. These transactions are deemed to be with related parties because directors of the companies listed served on the Board of the Trust during the year.

Calder Engineering Limited - sales of £4,749 and purchases of £6,050 were made by the Trust. At the year end the Trust owed £2,420. The related party is Colin Calder.

Young Robertson & Co - services of £27,166 were provided to the Trust. At the year end the Trust owed Young Robertson & Co £4,248. The related parties are Board member Douglas Robertson and Clerk to the Board Ewan Thoms.

Thomson International (Fish Sales) Limited - rent of £10,663 was charged by the Trust. At the year end, Thomson International (Fish Sales) Limited owed the Trust £530. The related party is William Thomson.

LED Scotland Limited - purchases of £4,212 were made by the Trust. At the year end the Trust owed LED Scotland Limited £925. The related party is Frank Bremner.

Scrabster Harbour Trust

Notes to the financial statements (continued) For the year ended 31 March 2016

16 Cash generated from operations

	2016	2015
	£	£
Profit for the year	370,625	312,940
Adjustments for:		
Income tax expense	138,151	166,043
Finance costs	272,178	278,421
Investment income	(13,472)	(10,260)
Gain on disposal of tangible fixed assets	-	(37,528)
Depreciation and impairment of tangible fixed assets	1,092,606	1,324,831
Government grant repaid/(received)	13,426	(977,291)
Movements in working capital:		
Decrease/(increase) in debtors	102,606	(86,241)
(Decrease)/increase in creditors	(212,029)	69,468
(Decrease)/increase in deferred income	(745,362)	35,744
Cash generated from operations	<u>1,018,729</u>	<u>1,076,127</u>

17 Reconciliations on adoption of FRS 102

The accounting policies that an entity uses in its opening statement of financial position under FRS 102 differ from those that it used for the same date using its previous financial reporting framework. The resulting adjustments arise from transactions and other events or conditions before the date of transition to this FRS. Therefore, the Trust recognises those adjustments directly in its retained earnings at the date of transition to this FRS.

As this is the first-time adoption of this FRS, the Trust shall not retrospectively change the accounting policies that it followed under its previous financial reporting framework as this constitutes a change in accounting estimates.

Scrabster Harbour Trust

Notes to the financial statements (continued)
For the year ended 31 March 2016

17 Reconciliations on adoption of FRS 102 (continued)

Reconciliation of Trust funds

	At 1 April 2014			At 31 March 2015		
	Previous UK	Effect of	FRS 102	Previous UK	Effect of	FRS 102
	GAAP	transition		GAAP	transition	
	£	£	£	£	£	£
Fixed assets						
Tangible assets	37,400,922	352,144	37,753,066	37,086,747	352,144	37,438,891
Current assets						
Debtors	412,850	-	412,850	571,667	-	571,667
Bank and cash	2,143,402	-	2,143,402	2,711,746	-	2,711,746
	2,556,252	-	2,556,252	3,283,413	-	3,283,413
Creditors due within one year						
Loans and overdrafts	148,722	-	148,722	155,416	-	155,416
Taxation	107,899	-	107,899	154,879	-	154,879
Other creditors	486,065	-	486,065	627,053	-	627,053
	742,686	-	742,686	937,348	-	937,348
Net current assets	1,813,566	-	1,813,566	2,346,065	-	2,346,065
Total assets less current liabilities	39,214,488	352,144	39,566,632	39,432,812	352,144	39,784,956
Creditors due after one year						
Loans and overdrafts	4,643,844	-	4,643,844	4,488,428	-	4,488,428
Other creditors	3,040	-	3,040	1,496	-	1,496
Deferred income	25,999,282	376,554	26,375,836	26,035,025	376,554	26,411,579
	30,646,166	376,554	31,022,720	30,524,949	376,554	30,901,503
Provisions for liabilities						
Deferred tax	100,428	-	100,428	127,029	-	127,029
Net assets	8,467,894	(24,410)	8,443,484	8,780,834	(24,410)	8,756,424
Capital and reserves						
Profit and loss	8,467,894	(24,410)	8,443,484	8,780,834	(24,410)	8,756,424

Notes to the financial statements (continued)
For the year ended 31 March 2016

17 Reconciliations on adoption of FRS 102 (continued)

Reconciliation of profit or loss for the year

	Year ended 31 March 2015			
	Notes	Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover		2,618,079	-	2,618,079
Administrative expenses		(3,016,792)	-	(3,016,792)
Other operating income		1,145,857	-	1,145,857
Operating profit		747,144	-	747,144
Interest receivable and similar income		10,260	-	10,260
Interest payable and similar charges		(278,421)	-	(278,421)
Profit before taxation		478,983	-	478,983
Taxation		(166,043)	-	(166,043)
Profit for the financial period		312,940	-	312,940

Notes to reconciliations on adoption of FRS 102

Tangible fixed assets

Managers reviewed the carrying value of the harbour and buildings on transition. It was noted that the pier and pier passenger facilities were being held at valuations lower than fair value. There was an adjustment made to tangible fixed assets to transition the fair value of these into FRS 102.

Deferred income

Due to the adjustment made to tangible fixed assets, a transitional adjustment was made to deferred income since the grant included within deferred income directly related to those fixed assets.

Trust funds

The net effect of the above adjustments has been posted to the Trust's funds.