

**Scrabster Harbour Trust**

**Board members' report and financial statements  
for the year ended 31 March 2019**

## Scrabster Harbour Trust

### Trust information

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**Board members**

Alexander Anderson  
Frank Bremner  
Colin Calder (Vice Chairman)  
Douglas Mackay  
Sandy Mackie  
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 LLP  
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

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## **Scrabster Harbour Trust**

### **Contents**

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	<b>Page</b>
Board report	1 - 2
Board members' responsibilities statement	3
Independent auditor's report	4 - 6
Profit and loss account	7
Balance sheet	8
Statement of cash flows	9
Notes to the financial statements	10 - 20

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## **Scrabster Harbour Trust**

### **Board report**

**For the year ended 31 March 2019**

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The Board present their report and financial statements for the year ended 31 March 2019.

#### **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 2018-19 was another particularly successful trading year for the Trust. The 2018-19 financial statements show a 9% increase in turnover compared to the prior year. There was strong performance across most of the port's diverse activities, with fishing and ferry sectors showing greatest growth. Profit before tax was 13% higher than the prior year reflecting the stronger revenue position.

As a trust port, the Trust is committed to re-investing its profits for the benefit of stakeholders.

The Trust continues to market the port as a cost effective option for a range of sectors. The Trust will continue to progress its plans to ensure the port can meet the changing needs of port users and to further capitalise on the harbour's strategic location.

The Trust continues to engage with the relevant agencies and bodies to advance its development programme. The priority project being a refurbishment of St Ola Pier.

#### **Results**

The profit before taxation for the year was £1,262,914 (2018: £1,117,859) on a turnover of £3,917,472 (2018: £3,604,895).

Net operating costs have increased from £2,269,384 in the previous year to £2,478,011.

#### **Board members**

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

Alexander Anderson

Frank Bremner

Colin Calder

Vice Chairman

Douglas Mackay

(Co-opted 5 October 2018)

Sandy Mackie

Thomas Pottinger

Chairman

Douglas Robertson

William Thomson

#### **Charitable donations**

During the year, the Trust donated £150 (2018: £2,370) to local charities.

## **Scrabster Harbour Trust**

### **Board report (continued)**

**For the year ended 31 March 2019**

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#### **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.

#### **Auditor**

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

#### **Statement of disclosure to auditor**

So far as the Board is aware, there is no relevant audit information of which the Trust's auditor 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**

9 September 2019

## **Scrabster Harbour Trust**

### **Board members responsibilities statement For the year ended 31 March 2019**

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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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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**  
9 September 2019

## **Scrabster Harbour Trust**

### **Independent auditor's report**

#### **To the members of Scrabster Harbour Trust**

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#### **Opinion**

We have audited the financial statements of Scrabster Harbour Trust for the year ended 31 March 2019 which comprise the profit and loss account, the statement of financial position, the statement of cash flows 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 Trust's affairs as at 31 March 2019 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's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trusts's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Scrabster Harbour Trust**

### **Independent auditor's report (continued) To the members of Scrabster Harbour Trust**

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#### **Other information**

The members are responsible for the other information. The other information comprises the information included in the board report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Scrabster Harbour Act 1841**

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

- the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members' Report 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Members' Report.

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.

#### **Responsibilities of directors**

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, and for such internal control as the members 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 members are responsible for assessing the Trust'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 members either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.



**Scrabster Harbour Trust**

**Independent auditor's report (continued)  
To the members of Scrabster Harbour Trust**

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Trust's Board, 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 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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

13 September 2019

**Chartered Accountants  
Statutory Auditors**

Edinburgh Quay  
133 Fountainbridge  
Edinburgh  
EH3 9BA

**Scrabster Harbour Trust**

**Profit and loss account**

**For the year ended 31 March 2019**

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	<b>Notes</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Turnover</b>	<b>2</b>	3,917,472	3,604,895
Administrative expenses		(3,417,606)	(3,246,330)
Other operating income		939,595	976,946
<b>Operating profit</b>	<b>4</b>	<u>1,439,461</u>	<u>1,335,511</u>
Interest receivable and similar income		23,796	13,572
Interest payable and similar expenses		(200,343)	(231,224)
<b>Profit before taxation</b>		<u>1,262,914</u>	<u>1,117,859</u>
Taxation	<b>5</b>	(332,325)	(250,592)
<b>Profit for the financial year</b>	<b>12</b>	<u><u>930,589</u></u>	<u><u>867,267</u></u>

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 10 to 20 form part of these financial statements.

## Scrabster Harbour Trust

### Balance sheet

As at 31 March 2019

	Notes	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	6		34,461,165		35,570,685
<b>Current assets</b>					
Debtors	7	509,713		655,413	
Cash at bank and in hand		6,217,337		4,816,858	
		<u>6,727,050</u>		<u>5,472,271</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(1,158,426)</u>		<u>(1,114,729)</u>	
Net current assets			5,568,624		4,357,542
<b>Total assets less current liabilities</b>			<u>40,029,789</u>		<u>39,928,227</u>
<b>Creditors: amounts falling due after more than one year</b>	9		(3,731,867)		(3,941,598)
<b>Provisions for liabilities</b>	10		(159,716)		(162,515)
<b>Grants and deferred income</b>	11		(24,571,573)		(25,188,070)
<b>Net assets</b>			<u>11,566,633</u>		<u>10,636,044</u>
<b>Trust funds</b>					
Profit and loss account	12		<u>11,566,633</u>		<u>10,636,044</u>

The notes on pages 10 to 20 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 9 September 2019 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 2019**

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		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
		<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	<b>17</b>	1,976,656	1,915,694
Interest paid		(200,343)	(231,224)
Corporate taxes paid		(219,983)	(193,536)
<b>Net cash inflow from operating activities</b>		<u>1,556,330</u>	<u>1,490,934</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		-	(922,524)
Interest received		23,796	13,572
<b>Net cash generated from/(used in) investing activities</b>		<u>23,796</u>	<u>(908,952)</u>
<b>Financing activities</b>			
Government grants received		20,065	646,921
Repayment of bank loans		(199,712)	(181,089)
<b>Net cash (used in)/generated from financing activities</b>		<u>(179,647)</u>	<u>465,832</u>
<b>Net increase in cash and cash equivalents</b>		1,400,479	1,047,814
Cash and cash equivalents at beginning of year		4,816,858	3,769,044
<b>Cash and cash equivalents at end of year</b>		<u><u>6,217,337</u></u>	<u><u>4,816,858</u></u>

## Scrabster Harbour Trust

### Notes to the financial statements For the year ended 31 March 2019

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#### 1 Accounting policies

##### Trust 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 financial statements are prepared in sterling, which is the functional currency of the Trust. 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	20 - 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 credited or charged to profit or loss.

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2019**

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**1 Accounting policies (continued)**

**1.4 Impairment of fixed assets**

At each reporting period end date, the Trust reviews the carrying amounts of its tangible 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 Trust 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 Trust 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 Trust's balance sheet when the Trust 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 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. Financial assets classified as receivable within one year are not amortised.

Notes to the financial statements (continued)  
For the year ended 31 March 2019

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**1 Accounting policies (continued)**

***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. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

***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 Trust 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.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

**1.6 Taxation**

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

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2019**

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**1 Accounting policies (continued)**

***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 Trust'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.

**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.



## Scrabster Harbour Trust

### Notes to the financial statements (continued)

For the year ended 31 March 2019

#### 2 Turnover and other revenue

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

	2019	2018
	£	£
<b>Turnover</b>		
Dues receivable	3,694,266	3,410,791
Car parking	7,616	7,100
Service sales	158,857	125,890
Miscellaneous sales	56,733	61,114
	<u>3,917,472</u>	<u>3,604,895</u>

	2019	2018
	£	£
<b>Other revenue</b>		
Interest income	23,796	13,572
Grants received	732,977	778,372
Rental income	206,618	198,574
	<u>206,618</u>	<u>198,574</u>

#### Turnover analysed by geographical market

	2019	2018
	£	£
United Kingdom	<u>3,917,472</u>	<u>3,604,895</u>

#### 3 Employees

The average monthly number of persons (including Board Members) employed by the Trust during the year was: 27 (2018: 28).

#### 4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the Trust's auditors for the audit of the financial statements	<u>9,000</u>	<u>9,100</u>

Scrabster Harbour Trust

Notes to the financial statements (continued)  
For the year ended 31 March 2019

5 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	335,124	219,961
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,799)	30,631
<b>Total tax charge</b>	<u>332,325</u>	<u>250,592</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	<u>1,262,914</u>	<u>1,117,859</u>
Expected tax charge based on a corporation tax rate of 19% (2018 - 19%)	239,954	212,393
Tax effect of expenses that are not deductible in determining taxable profit	37,076	2,072
Tax effect of income not taxable in determining taxable profit	2	(1,363)
Fixed asset differences	54,964	41,093
Adjustment to closing deferred tax	329	(3,603)
<b>Tax expense for the year</b>	<u>332,325</u>	<u>250,592</u>

Scrabster Harbour Trust

Notes to the financial statements (continued)  
For the year ended 31 March 2019

6 Tangible fixed assets

	Harbour and buildings £	Crafts, equipment and floating plant £	Total £
<b>Cost</b>			
At 1 April 2018 and 31 March 2019	49,427,194	2,218,339	51,645,533
<b>Depreciation and impairment</b>			
At 1 April 2018	15,177,596	897,252	16,074,848
Depreciation charged in the year	1,002,197	107,323	1,109,520
At 31 March 2019	16,179,793	1,004,575	17,184,368
<b>Carrying amount</b>			
At 31 March 2019	33,247,401	1,213,764	34,461,165
At 31 March 2018	34,249,598	1,321,087	35,570,685

7 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	338,811	531,811
Other debtors	128,008	87,479
Prepayments and accrued income	42,894	36,123
	509,713	655,413

8 Creditors: amounts falling due within one year

	2019 £	2018 £
Loans and overdrafts	209,538	199,519
Trade creditors	89,982	77,623
Corporation tax payable	335,112	219,971
Other taxation and social security	27,248	22,915
Accruals and deferred income	496,546	594,701
	1,158,426	1,114,729

Scrabster Harbour Trust

Notes to the financial statements (continued)  
For the year ended 31 March 2019

9 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Loans and overdrafts	3,731,867	3,941,598
	<u>3,731,867</u>	<u>3,941,598</u>
<b>Analysis of loans</b>		
Wholly repayable after 5 years	3,941,405	4,141,117
	<u>3,941,405</u>	<u>4,141,117</u>
Included in current liabilities	(209,538)	(199,519)
	<u>3,731,867</u>	<u>3,941,598</u>
	<u>3,731,867</u>	<u>3,941,598</u>
<b>Loan maturity analysis</b>		
Due within one year	209,538	199,519
Due in greater than one year but not more than five years	628,615	850,484
Due in greater than five years	3,103,252	3,091,114
	<u>3,941,405</u>	<u>4,141,117</u>
	<u>3,941,405</u>	<u>4,141,117</u>

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

10 Provisions for liabilities

	2019	2018
	£	£
Deferred tax liabilities	159,716	162,515
	<u>159,716</u>	<u>162,515</u>

## Scrabster Harbour Trust

### Notes to the financial statements (continued) For the year ended 31 March 2019

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<b>11 Grants and deferred income</b>	<b>Government grants</b>
	<b>£</b>
Balance at 1 April 2018	24,990,487
Grants additions during the year	20,065
Amortisation in the year	(732,977)
Balance at 31 March 2019	<u>24,277,575</u>

	<b>Deferred income</b>
	<b>£</b>
Rental income	40,431
Other income	251,716
Deferred composite dues	1,851
	<u>293,998</u>
Balance at 31 March 2019	<u>24,571,573</u>
Balance at 31 March 2018	<u>25,188,070</u>

<b>12 Profit and loss reserves</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
At beginning of year	10,636,044	9,768,777
Profit for the year	930,589	867,267
At end of year	<u>11,566,633</u>	<u>10,636,044</u>

### 13 Events after the reporting date

Subsequent to the year end, the Trust made a payment to one of its tenants for the renunciation of a lease. As part of this transaction the Trust has acquired buildings previously owned and occupied by the tenant.

## Scrabster Harbour Trust

### Notes to the financial statements (continued)

For the year ended 31 March 2019

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#### 14 Pilotage activities

Statement under regulation 4 of the Statutory Harbour Undertakings (Pilotage Accounts) Regulations 1988 in respect of pilotage activities.

	2019	2018
	£	£
Revenue from pilotage activities	28,395	25,518
	<u>          </u>	<u>          </u>
Expenses incurred in:		
Providing the services of pilots	10,080	15,376
Providing a pilot boat and crew	13,318	16,827
	<u>          </u>	<u>          </u>

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

#### 15 Controlling party

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

#### 16 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 £6,000 and purchases of £7,248 were made by the Trust. At the year end the Trust was due £1,500. The related party is Colin Calder.

Young Robertson & Co - services of £12,480 were provided to the Trust. At the year end there were no amounts owed by the Trust to Young Robertson & Co. The related party is Clerk to the Board Ewan Thoms.

Thomson International (Fish Sales) Limited - sales of £11,303 were charged by the Trust. At the year end the Trust was due £2,672. The related party is William Thomson.

LED Scotland Limited - sales of £84 and purchases of £6,013 were made by the Trust. At the year end the Trust owed £106 to LED Scotland Limited. The related party is Frank Bremner.

Scrabster Harbour Trust

Notes to the financial statements (continued)  
For the year ended 31 March 2019

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17 Cash generated from operations

	2019	2018
	£	£
Profit for the year	930,589	867,267
<b>Adjustments for:</b>		
Corporation tax	332,325	250,592
Finance costs	200,343	231,224
Investment income	(23,796)	(13,572)
Depreciation and impairment of tangible fixed assets	1,109,520	1,102,065
Government grant received	(20,065)	(646,921)
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	145,700	(13,116)
(Decrease)/increase in creditors	(81,463)	138,824
Decrease in deferred income	(616,497)	(669)
<b>Cash generated from operations</b>	<u>1,976,656</u>	<u>1,915,694</u>

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