

**ARDROSSAN HARBOUR COMPANY
LIMITED**

Report and Financial Statements

For the year ended 31 March 2017



REPORT AND FINANCIAL STATEMENTS

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	6
Statement of other comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T E Allison
I G L Charnock
M Whitworth

COMPANY SECRETARY

C R Marrison Gill

REGISTERED OFFICE

16 Robertson Street
Glasgow
G2 8DS

BANKERS

The Royal Bank of Scotland PLC/
National Westminster Bank PLC
22 Castle Street
Liverpool
L2 0UP

AUDITOR

Deloitte LLP
Statutory Auditor
Horton House
Exchange Street East
Liverpool
L2 3PG

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2017. The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 414B of the Companies Act 2006. Accordingly, a Strategic Report has not been prepared.

PRINCIPAL ACTIVITIES

The Company's principal activity is the provision of port facilities.

RESULTS AND DIVIDENDS

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

Net assets were £10,034,000 at 31 March 2017 (2016: £14,138,000). In addition to the profit for the financial year of £896,000 (2016: £1,067,000) the net asset position has changed because of the payment of interim dividends of £5,000,000 (2016: £nil).

Both the level of business and the year-end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

GOING CONCERN

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

DIRECTORS

The directors of the Company who served during the year and thereafter are listed on page 1.

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

RECOMMENDED DIVIDENDS

No final dividend is proposed (2016: £nil).

AUDITOR AND THE DISCLOSURE OF INFORMATION TO THE AUDITOR

Each person who is a director of the Company at the date of approval of this report confirms that:

- so far as each is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Deloitte LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

On behalf of the Board



I G L Charnock
Director
26 July 2017

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDROSSAN HARBOUR COMPANY LIMITED.

We have audited the financial statements of Ardrossan Harbour Company Limited for the year ended 31 March 2017 which comprise the profit and loss account, the statement of other comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 19. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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.

Respective responsibilities of directors and auditor

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. 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 Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; 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 Company's affairs as 31 March 2017 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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

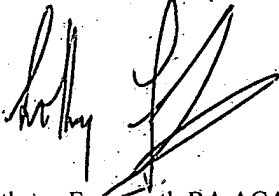
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDROSSAN HARBOUR COMPANY LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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



Anthony Farnworth BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Liverpool, United Kingdom
27 July 2017

ARDROSSAN HARBOUR COMPANY LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
TURNOVER	3	1,759	1,620
Cost of sales		(431)	(433)
		<hr/>	<hr/>
GROSS PROFIT		1,328	1,187
Administrative expenses		(10)	(12)
		<hr/>	<hr/>
OPERATING PROFIT	7	1,318	1,175
Interest payable	8	(2)	(3)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,316	1,172
Tax on profit on ordinary activities	9	(420)	(105)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		<hr/> <hr/>	<hr/> <hr/>

The above results are derived from continuing operations.

STATEMENT OF OTHER COMPREHENSIVE INCOME For the year ended 31 March 2017

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

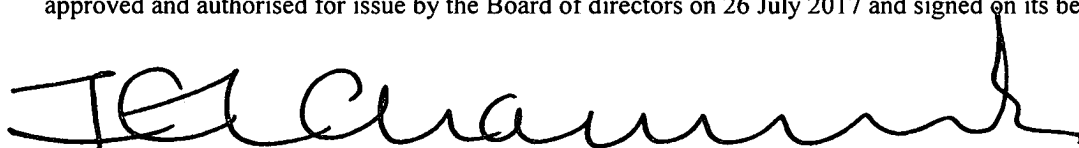
	2017 £'000	2016 £'000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<hr/> <hr/>	<hr/> <hr/>

ARDROSSAN HARBOUR COMPANY LIMITED

BALANCE SHEET As at 31 March 2017

	Note	2017 £'000	2016 £'000
FIXED ASSETS			
Tangible assets	10	3,262	3,331
CURRENT ASSETS			
Debtors	11	11,340	11,325
Cash at bank and in hand		2,288	805
		13,628	12,130
CREDITORS: amounts falling due within one year	12	(5,995)	(427)
NET CURRENT ASSETS		7,633	11,703
TOTAL ASSETS LESS CURRENT LIABILITIES		10,895	15,034
CREDITORS: amounts falling due after more than one year	13	(849)	(882)
PROVISION FOR LIABILITIES	14	(12)	(14)
NET ASSETS		10,034	14,138
CAPITAL AND RESERVES			
Called-up share capital	15	850	850
Share premium account		2	2
Profit and loss account		9,182	13,286
TOTAL SHAREHOLDER'S FUNDS		10,034	14,138

The financial statements of Ardrossan Harbour Company Limited (company registration number SC045455) were approved and authorised for issue by the Board of directors on 26 July 2017 and signed on its behalf by:



I G L Charnock
Director

ARDROSSAN HARBOUR COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended 31 March 2017

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Balance as at 1 April 2015	850	2	12,219	13,071
Profit for the financial year	-	-	1,067	1,067
Balance as at 31 March 2016	850	2	13,286	14,138
Profit for the financial year	-	-	896	896
Dividends	-	-	(5,000)	(5,000)
Balance as at 31 March 2017	850	2	9,182	10,034

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

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

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

Going concern

In considering the appropriateness of the going concern basis of preparation, the directors have considered forecasts for the next twelve months from the date of signing the 2017 financial statements, which include detailed cash flow forecasts and working capital availability. These forecasts show that sufficient resources remain available to the business for the next twelve months after taking account of reasonably possible changes in trading performance.

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

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the available exemptions to not disclose:

- a) A reconciliation of the number of shares outstanding at the beginning and end of the year;
- b) A statement of cash flows;
- c) Certain financial instrument disclosures on the basis that equivalent disclosures are included in the consolidated financial statements of the group in which the Company is consolidated; and
- d) Key management personnel compensation in total.

Revenue recognition

Turnover, which arises solely in the United Kingdom, consists of amounts receivable in respect of port operations services provided to third parties, excluding VAT. Revenue is recognised when the provision of the service is complete.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Repairs and maintenance

Regular repair and maintenance of port and property assets is charged to the profit and loss account as incurred.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

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

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

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, excluding freehold land and capital work in progress, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

- Buildings, docks and quays at rates varying between 2% and 4% per annum;
- Dredging and navigation aids at rates varying between 2% and 5% per annum;
- Plant and machinery at rates varying between 4% and 20% per annum;
- No depreciation is charged on capital work in progress until the assets are available for use. On completion, such assets are transferred to the appropriate category of tangible fixed assets.

Residual value is calculated on prices prevailing at the date of acquisition.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

Financial instruments

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

(i) Financial assets

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(i) Financial assets (continued)

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

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

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

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

(ii) Financial liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

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

Port improvement grants

Government grants received in respect of capital expenditure are credited included in creditors and released to the profit and loss account over the useful economic life of the assets to which they relate. Government grants have been classified as creditors amounts falling due within one year and creditors amounts falling due after more than one year as per group policy.

Share capital

Ordinary shares are classified as equity.

Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

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

(ii) Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of tangible fixed assets and note 3 for the useful economic lives for each class of asset.

5. DIRECTORS' EMOLUMENTS

No director received any emoluments for their services to the Company (2016: £nil).

6. EMPLOYEE INFORMATION

The Company had no employees during the year or during the previous year.

7. OPERATING PROFIT

	2017 £'000	2016 £'000
Operating profit is stated after charging/(crediting):		
Depreciation - owned assets	175	176
Grant releases	(33)	(33)
Operating lease charges	17	17
Fees payable to the Company's auditor for the audit of the Company's annual accounts	3	3

Fees paid to the Company's auditor, Deloitte LLP, for services other than the statutory audit are not disclosed in the financial statements of the Company as the financial statements of the Company's intermediate parent, Peel Ports Group Limited, are required to disclose non-audit fees on a consolidated basis

8. INTEREST PAYABLE

	2017 £'000	2016 £'000
Debenture stock not repayable within five years	2	3

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2017 £'000	2016 £'000
Current tax		
UK corporation tax	278	-
Group relief payable	-	105
Adjustments in respect of prior periods	144	(3)
Total current tax charge	<u>422</u>	<u>102</u>
Deferred tax		
Origination and reversal of timing differences	(1)	4
Impact of change in tax rate	(1)	(1)
Total deferred tax (credit)/charge (note 14)	<u>(2)</u>	<u>3</u>
Total tax on profit on ordinary activities	<u><u>420</u></u>	<u><u>105</u></u>

Reconciliation of total tax charge:

The tax assessed for the year is higher (2016: lower) than that arising from applying the standard rate of UK corporation tax of 20% (2016: 20%). The differences are explained below:

	2017 £'000	2016 £'000
Profit on ordinary activities before taxation	<u>1,316</u>	<u>1,172</u>
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 20% (2016: 20%)	263	234
Effects of:		
Expenses not deductible for tax purposes	14	19
Adjustments in respect of prior periods	144	(3)
Re-measurement of deferred tax – change in UK tax rate	(1)	(1)
Group relief claimed without payment	-	(144)
Total tax charge	<u><u>420</u></u>	<u><u>105</u></u>

The Government has announced that it intends to reduce the rate of corporation tax to 17%. Finance Act 2016, which was enacted in September 2016, included provisions to reduce the rate of corporation tax to 17% with effect from 1 April 2020. Accordingly, deferred tax balances have been restated to the lower rate of 17% in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

10. TANGIBLE FIXED ASSETS

	Freehold land, buildings, docks and quays, dredging and navigation aids £'000	Plant and machinery £'000	Capital work in progress £'000	Total £'000
Cost				
At 1 April 2016	7,097	411	13	7,521
Additions	-	-	106	106
At 31 March 2017	7,097	411	119	7,627
Depreciation				
At 1 April 2016	4,075	115	-	4,190
Charge for the year	140	35	-	175
At 31 March 2017	4,215	150	-	4,365
Net book value				
At 31 March 2017	2,882	261	119	3,262
At 31 March 2016	3,022	296	13	3,331

Included within land and buildings is land, which is not subject to depreciation, amounting to £0.2m (2016: £0.2m).

11. DEBTORS

	2017 £'000	2016 £'000
<i>Amounts falling due within one year:</i>		
Trade debtors	32	24
Prepayments and accrued income	104	98
Amounts owed by group undertakings	11,168	11,169
Amounts owed by non-port group companies	36	34
	11,340	11,325

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£'000	£'000
Trade creditors	117	49
Amounts owed to group undertakings	5,265	245
Group relief	527	38
Accruals and deferred income	52	60
Other creditors	1	2
Government grants	33	33
	<u>5,995</u>	<u>427</u>

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

	2017	2016
	£'000	£'000
4½% irredeemable debenture stock	63	63
Preference shares classed as financial liabilities held by group undertakings (note 15)	150	150
Government grants	636	669
	<u>849</u>	<u>882</u>

The irredeemable stock issues have no fixed redemption dates and can only be redeemed with the agreement of the respective stockholders. Stockholders have no rights to demand redemption. The directors consider that the fair value of the instruments is not materially different from the carrying value in the financial statements.

14. PROVISION FOR LIABILITIES

	Deferred taxation £'000
At 1 April 2016	14
Profit and loss account (note 9)	2
	<u>12</u>
At 31 March 2017	<u>12</u>
The provision for deferred tax comprises:	
	2017
	£'000
Capital allowances in excess of depreciation	<u>12</u>
	<u>14</u>

There are no unused tax losses or unused tax credits.

The deferred tax liability is expected to decrease by £3,000 in 2018. This primarily relates to the reversal of timing differences in respect of the accelerated capital allowances.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

15. CALLED-UP SHARE CAPITAL

	2017	2016
	£'000	£'000
Allotted, called-up and fully paid:		
85,000 shares issuable as ordinary or preference shares of not less than £10 each	850	850
15,000 3.375% (net) preference shares of £10 each	150	150
	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:		
<i>Shares classified as total shareholders' funds</i>		
85,000 ordinary shares of £10 each	850	850
<i>Shares classified as financial liabilities</i>		
15,000 3.375% (net) preference shares of £10 each	150	150
	<u>1,000</u>	<u>1,000</u>

There are no restrictions on the distribution of dividends and the repayment of ordinary share capital.

At 31 March 2017, there were 15,000 (2016: 15,000) 4.5% (3.375% plus tax credit) £10 preference shares in issue. The preference shares were originally issued on 25 September 1886 and have no fixed redemption dates. Shareholders have no right to demand redemption. As in the prior year, the preference shareholders have waived their right to dividends.

16. FINANCIAL COMMITMENTS

At 31 March 2017 the company had the following minimum lease payments under non-cancellable operating leases for each of the following periods:

	2017	2016
	£'000	£'000
Within one year	11	11
Within two to five years	43	43
After five years	298	302
	<u>352</u>	<u>356</u>

17. RELATED PARTY TRANSACTIONS

		2017	2016
		£'000	£'000
Peel Holdings Land & Property Group Limited	Rent paid	(3)	(2)
	Rent received	30	28

At 31 March 2017, £36,000 (2016: £34,000) was owed to the Company by entities in the Peel Holdings Limited group of companies.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

18. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The directors regard Tokenhouse Limited, a company incorporated in the Isle of Man, as the ultimate holding company and Clydeport Limited, a company registered in the United Kingdom, as the immediate parent company.

The largest and smallest group of undertakings of which the Company is a member that produces publicly available consolidated financial statements is Peel Ports Group Limited, a company registered in the United Kingdom. Its group financial statements are available from:-

The Company Secretary
Peel Ports Group Limited
Maritime Centre
Port of Liverpool
L21 1LA

19. ULTIMATE CONTROLLING PARTY

Tokenhouse Limited is controlled by the Billown 1997 Settlement trust. By virtue of its controlling interest in Peel Ports Holdings (CI) Limited, the immediate parent company of Peel Ports Group Limited, and the majority voting power held by the directors appointed by that company's immediate parent undertaking, Peel Ports Investments (IOM) Limited, the Company considers the Billown 1997 Settlement trust to be the ultimate controlling party.