

**COMPANIES HOUSE  
EDINBURGH**

**21 DEC 2018**

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**ARDROSSAN HARBOUR COMPANY  
LIMITED**

**Report and Financial Statements**

**For the year ended 31 March 2018**



# **ARDROSSAN HARBOUR COMPANY LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

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

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

T E Allison  
I G L Charnock  
M Whitworth

**COMPANY SECRETARY**

F A Khan  
C R Marrison Gill

**REGISTERED OFFICE**

16 Robertson Street  
Glasgow  
G2 8DS

**BANKERS**

National Westminster Bank PLC  
2-8 Church Street  
Liverpool  
L1 3BG

**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 2018. 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 £6,032,000 at 31 March 2018 (2017: £10,034,000). In addition to the profit for the financial year of £998,000 (2017: £896,000) the net asset position has changed because of the payment of interim dividends of £5,000,000 (2017: £5,000,000).

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.

### **APPOINTMENT OF COMPANY SECRETARY**

On 22 September 2017, Farook Khan was appointed as Company Secretary of the Company, alongside Caroline Marrison Gill.

### **RECOMMENDED DIVIDENDS**

No final dividend is proposed (2017: £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 auditor in the absence of an Annual General Meeting.

**On behalf of the Board**



**I G L Charnock**  
Director  
1 August 2018

## **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**

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Opinion**

In our opinion the financial statements of Ardrossan Harbour Company Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the company, 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### **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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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.

We have nothing to report in respect of these matters.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the 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 respect of these matters.

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

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Auditor'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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Diane Petit-Laurent ACA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Liverpool, United Kingdom  
2 August 2018

# ARDROSSAN HARBOUR COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT For the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
<b>TURNOVER</b>	3	1,833	1,759
Cost of sales		(583)	(431)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		1,250	1,328
Administrative expenses		(6)	(10)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	7	1,244	1,318
Interest payable	8	(3)	(2)
		<hr/>	<hr/>
<b>PROFIT BEFORE TAXATION</b>		1,241	1,316
Taxation	9	(243)	(420)
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<hr/> <hr/> 998	<hr/> <hr/> 896

The above results are derived from continuing operations.

## STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

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

	2018 £'000	2017 £'000
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<hr/> <hr/> 998	<hr/> <hr/> 896



# ARDROSSAN HARBOUR COMPANY LIMITED

## BALANCE SHEET As at 31 March 2018

	Note	2018 £'000	2017 £'000
<b>FIXED ASSETS</b>			
Tangible assets	10	3,435	3,262
<b>CURRENT ASSETS</b>			
Debtors	11	11,419	11,340
Cash at bank and in hand		581	2,288
		12,000	13,628
<b>CREDITORS: amounts falling due within one year</b>	12	(8,601)	(5,995)
<b>NET CURRENT ASSETS</b>		3,399	7,633
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,834	10,895
<b>CREDITORS: amounts falling due after more than one year</b>	13	(783)	(849)
<b>PROVISION FOR LIABILITIES</b>	14	(19)	(12)
<b>NET ASSETS</b>		6,032	10,034
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	15	850	850
Share premium account		2	2
Profit and loss account		5,180	9,182
<b>TOTAL SHAREHOLDER'S FUNDS</b>		6,032	10,034

The financial statements of Ardrossan Harbour Company Limited (company registration number SC045455) were approved and authorised for issue by the Board of directors on 1 August 2018 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 2018

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
<b>As at 1 April 2016</b>	850	2	13,286	14,138
Profit for the financial year	-	-	896	896
Dividends	-	-	(5,000)	(5,000)
<b>As at 31 March 2017</b>	850	2	9,182	10,034
Profit for the financial year	-	-	998	998
Dividends	-	-	(5,000)	(5,000)
<b>As at 31 March 2018</b>	850	2	5,180	6,032

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2018**

**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 Peel Ports Group Limited for the next twelve months from the date of signing the 2018 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 2018**

**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.

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.

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2018****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Financial instruments (continued)***(i) Financial assets (continued)*

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.

Preference shares, which result in fixed returns to the holder or are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the profit and loss account as interest expense.

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.

**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These are based on management's best knowledge of the amount, event or actions, taking into account historical experience and other factors that are considered to be relevant. The resulting accounting estimates will, by definition, seldom equal the related actual results.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)***(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 sources of estimation uncertainty*

The key sources of estimation uncertainty that have a significant potential 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 (notes 3 and 10)*

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. The depreciation charge for the year ended 31 March 2018 was £183,000 (2017: £175,000).

**5. DIRECTORS' EMOLUMENTS**

No director received any emoluments for their services to the Company (2017: £nil).

**6. EMPLOYEE INFORMATION**

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

**7. OPERATING PROFIT**

	2018 £'000	2017 £'000
Operating profit is stated after charging/(crediting):		
Depreciation - owned assets	183	175
Grant releases	(91)	(33)
Operating lease charges	15	17
Fees payable to the Company's auditor for the audit of the Company's annual accounts	4	3
	<u>4</u>	<u>3</u>

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**

	2018 £'000	2017 £'000
Debenture stock not repayable within five years	3	2
	<u>3</u>	<u>2</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2018**

**9. TAXATION**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation tax	240	278
Adjustments in respect of prior periods	(4)	144
<b>Total current tax charge</b>	<u>236</u>	<u>422</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	4	(1)
Adjustments in respect of prior periods	3	-
Impact of change in tax rate	-	(1)
<b>Total deferred tax charge/(credit) (note 14)</b>	<u>7</u>	<u>(2)</u>
<b>Total tax charge</b>	<u><u>243</u></u>	<u><u>420</u></u>

**Reconciliation of total tax charge:**

The tax assessed for the year is higher (2017: higher) than that arising from applying the standard rate of UK corporation tax of 19% (2017: 20%). The differences are explained below:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Profit before taxation	<u>1,241</u>	<u>1,316</u>
Profit before taxation multiplied by the standard rate of UK corporation tax of 19% (2017: 20%)	235	263
Effects of:		
Expenses not deductible for tax purposes	9	14
Adjustments in respect of prior periods	(4)	144
Adjustments in respect of prior periods – deferred tax	3	-
Re-measurement of deferred tax – change in UK tax rate	-	(1)
<b>Total tax charge</b>	<u><u>243</u></u>	<u><u>420</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 stated at the lower rate of 17% in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2018**

**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
<b>Cost</b>				
At 1 April 2017	7,097	411	119	7,627
Additions	25	-	331	356
Reclassifications	-	65	(65)	-
At 31 March 2018	7,122	476	385	7,983
<b>Depreciation</b>				
At 1 April 2017	4,215	150	-	4,365
Charge for the year	141	42	-	183
At 31 March 2018	4,356	192	-	4,548
<b>Net book value</b>				
At 31 March 2018	2,766	284	385	3,435
At 31 March 2017	2,882	261	119	3,262

Included within land and buildings is land, which is not subject to depreciation, amounting to £0.2m (2017: £0.2m).

**11. DEBTORS**

	2018 £'000	2017 £'000
<i>Amounts falling due within one year:</i>		
Trade debtors	118	32
Prepayments and accrued income	133	104
Amounts owed by group undertakings	11,168	11,168
Amounts owed by non-port group companies	-	36
	11,419	11,340

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £'000	2017 £'000
Trade creditors	71	117
Amounts owed to group undertakings	8,175	5,265
Group relief	265	527
Accruals and deferred income	63	52
Other creditors	1	1
Government grants	26	33
	8,601	5,995



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2018**

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

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
4½% irredeemable debenture stock	63	63
Preference shares classed as financial liabilities held by group undertakings (note 15)	150	150
Government grants	570	636
	<u>783</u>	<u>849</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**

	<b>Deferred taxation £'000</b>
At 1 April 2017	12
Profit and loss account (note 9)	<u>7</u>
At 31 March 2018	<u>19</u>

The provision for deferred tax comprises:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Capital allowances in excess of depreciation	<u>19</u>	<u>12</u>

There are no unused tax losses or unused tax credits.

The deferred tax liability is expected to decrease by £4,000 in 2019. This primarily relates to the reversal of timing differences in respect of the accelerated capital allowances.

**15. CALLED-UP SHARE CAPITAL**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, called-up and fully paid:</b>		
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	<u>150</u>	<u>150</u>
	<u>1,000</u>	<u>1,000</u>
<b>Allotted, issued and fully paid:</b>		
<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	<u>150</u>	<u>150</u>
	<u>1,000</u>	<u>1,000</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2018**

### **15. CALLED-UP SHARE CAPITAL (CONTINUED)**

At 31 March 2018, there were 15,000 (2017: 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.

#### **Equity dividends**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Interim ordinary dividends paid	5,000	5,000

### **16. FINANCIAL COMMITMENTS**

At 31 March 2018, the company had the following minimum lease payments under non-cancellable operating leases for each of the following periods:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	9	11
Within two to five years	34	43
After five years	219	298
	<u>262</u>	<u>352</u>

### **17. RELATED PARTY TRANSACTIONS**

		<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
Peel Holdings Land & Property Group Limited	Rent paid	(3)	(3)
	Rent received	-	30

At 31 March 2018, no amounts (2017: £36,000) were owed to the Company by entities in the Peel Holdings Limited group of companies.

### **18. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING**

The directors regard Tokenhouse Limited as the ultimate holding company and Clydeport Limited 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. Its group financial statements are available from its registered office:

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

### **19. ULTIMATE CONTROLLING PARTY**

Tokenhouse Limited, which is incorporated in the Isle of Man, 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.