

PETERHEAD PORT AUTHORITY

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31ST DECEMBER 2007**

PETERHEAD PORT AUTHORITY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

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PETERHEAD PORT AUTHORITY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

MEMBERS

Mr W J M R Mackie	- Convenor
Mr J A Porter	- Deputy Convenor (to 23/05/07 per Convenor's Report)
Mrs B Bruce	- Deputy Convenor (from 20/06/07)
Mr J E Wallace	- Chief Executive and Secretary
Mr D Anderson	
Mr D Armstrong (from 17/10/07)	
Mr J Buchan	
Mr B Davidson	
Mr I Davidson	
Mr J Maxwell	
Capt R Middleton	
Dr I Moir	

PRINCIPAL OFFICERS

Mr J E Wallace	- Chief Executive
Mr S Paterson	- Chief Financial Officer
Capt T Hemingway	- Harbour Master and Director of Port Operations
Mr D Buchan	- Senior Port Engineer

AUDITORS

Bain Henry Reid
28 Broad Street
Peterhead
AB42 1BY

PRINCIPAL BANKERS

Clydesdale Bank plc
43 Broad Street
Peterhead
AB42 1JB

SOLICITORS

Masson and Glennie
Broad House
Broad Street
Peterhead
AB42 1HY

INVESTMENT MANAGERS

Tilney Investment Management
10 Hill Street
Edinburgh
EH2 3JZ

MacKinnons
14 Carden Place
Aberdeen
AB10 1UR

PETERHEAD PORT AUTHORITY

CONVENOR'S REPORT FOR THE YEAR ENDED 31ST DECEMBER 2007

INTRODUCTION

Following the successful merger launched at Peterhead Port Authority in 2006, the process of integration, business growth and exploring development opportunities continued throughout 2007. An extension and refurbishment of the West Pier Harbour Office was completed and since then the business has benefited from management and marine staff being based in the one location.

On 23rd May 2007, the Deputy Convenor, Cllr John Porter died unexpectedly. He was a long standing servant of the port, having previously been Convenor of Peterhead Bay Authority and a driving force in the initiative to merge the former bodies, and will be greatly missed but his works continue for the benefit of the port and town. Following a search and interview, Mr Douglas Armstrong, a local businessman, was appointed and Mrs Barbara Bruce was unanimously voted to the position of Deputy Convenor.

TRADING REVIEW

Trading conditions were favourable throughout 2007, with both fishing and oil-related sectors remaining buoyant. For the second successive year, the port broke its previous record for the highest value of fish handled in a year - now at £114 million, up 6% from 2006. White fish throughput was boosted by higher values being achieved at the fishmarket - the average price for the year was £1,495 per tonne, up 5% compared to 2006 and 70% on the 2004 price. In addition, consigned fish from other ports also increased. Pelagic throughput decreased by 2% due to significant quota cuts in herring but the reduction was offset by a contribution from foreign vessels being attracted to land to local processors. Shellfish recorded a very respectable increase of 49%, which represents 8% of total fish throughput.

Increasing oil prices meant operators continued apace with development of additional reserves from both new and existing fields. This ensured that recent growth in the number of diving support and subsea construction vessels mobilising from the port continued. The port's main logistics provider, ASCO, was successful in securing a contract from Apache and we were glad to welcome this activity back to Peterhead. ASCO's success in retaining clients and winning new business encouraged the company to seek an extension to strategic quayside leases, which were due to expire in 2009. These extensions, for up to 20 years, were successfully negotiated, with an increased return to the Authority.

FINANCIAL REVIEW

Turnover for the year was £6,625,000, up 4% from 2006. Cost of services increased from £2,835,000 to £3,029,000. Increasing wages and costs for water, electricity and gas were the main reasons. Administrative costs were at a similar level to last year.

INVESTMENT PORTFOLIO

In April, the remainder of the port's equity based investment portfolio was sold, generating a gain on sale of £944,301. The £5,219,964 proceeds have since been placed in bank bonds and deposits. This decision was taken to secure gains in the portfolio and reduce the funding risks in anticipation of a significant cash requirement for the planned Smith Embankment Development (SED).

PORT PLANS

The port's 'Property & Infrastructure Report' was completely reworked during the year. This document identifies repair, maintenance and upgrade needs of the port's estate over the next 20 years, and forms the basis of future budgetary provision for this department. The Business Plan was also reworked to take account of predicted changes to the business resulting from the SED. A Port Environment Review was completed as part of the initiative to gain the Eco-Ports certification. The port's Health & Safety Adviser is now fully accredited and is diligently working to ensure the workplace environment exceeds industry standards and expectations.

PETERHEAD PORT AUTHORITY

CONVENOR'S REPORT FOR THE YEAR ENDED 31ST DECEMBER 2007

SMITH EMBANKMENT DEVELOPMENT

As reported in last year's review, preparatory studies commenced in 2006 to identify a development option to provide additional quayside to meet increasing demand for berthing from deep drafted pelagic fishing vessels and oil-related diving support vessels. These plans were progressed during 2007 with expenditure totalling £735,376 being incurred on preliminary studies and design work. This included numerical wave analysis, seabed borehole studies, environmental impact assessment, quay design and physical modelling. This process was completed in April 2008 when the project was put out to tender. If all goes well, it is hoped to award a contract during July 2008, with the project being completed in January 2010. The project will provide two additional all weather quays of 100m at Albert Quay and 150m at Smith Embankment. Both will enjoy a minimum water depth of 10m and the latter will have 13,000m² of adjacent reclaimed working area. The estimated cost is £30 million.

LOOKING FORWARD

The next 12 months will be momentous for the business as final decisions are taken on the SED. Trading is expected to continue at a similar level to 2007. A major project has commenced to upgrade accounting systems and introduce a port activity and management database. Early investigations have also taken place into the possibility of extending the fishmarket to increase capacity by 25%, to 5,000 boxes.

All of these projects will require continued enthusiasm and commitment from all those involved in our business. I take this opportunity to thank our employees and my fellow Board Members for their hard work and diligence during the past year.

William J M R Mackie
Convenor

PETERHEAD PORT AUTHORITY

MEMBERS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2007

The members present their report with the financial statements of the Authority for the year ended 31st December 2007.

PRINCIPAL ACTIVITIES

Peterhead Port Authority was established by the Peterhead Port Authority Harbour (Constitution) Revision Order, 2005. The Statutory Instrument transferred responsibility for the holding, managing, maintaining and developing Peterhead Bay Harbour from Peterhead Bay Authority to Peterhead Harbour Trustees. The enlarged organisation was then reconstituted and renamed Peterhead Port Authority.

Peterhead Port Authority caters mainly for the fishing and offshore oil and gas industries. Peterhead is the foremost fishing port in the UK and provides a comprehensive range of modern facilities for the industry, including the UK's largest fishmarket, ship repair facilities and a portfolio of fish processing and workshop properties. The port is also an important centre for servicing the offshore oil industry and is particularly well placed to act as a base for logistics and diving support operations. A range of commodities are handled and Peterhead is also a port of call for cruise ships and hosts a marina for leisure vessels, which is owned and operated by the Authority.

The profit and loss account for the period is set out on page 7. The profit after tax of £6,304,432 has been transferred to reserves.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

See Convenor's report on page 2.

MEMBERS

The members of the Authority during the year under review are listed on page 1.

CHARITABLE CONTRIBUTIONS

During the year the Authority made various charitable contributions totalling £6,270.

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the financial statements in accordance with applicable law and regulations.

The members are required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the Authority and of the profit or loss of the Authority for that period. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in business.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority and to enable them to ensure that the financial statements comply with the Statutory Harbour Undertakings (Accounts, etc.) Regulations 1983. They are also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PETERHEAD PORT AUTHORITY

**MEMBERS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2007**

AUDITORS

The auditors, Bain Henry Reid, will be proposed for re-appointment.

ON BEHALF OF THE BOARD:

John E Wallace - Chief Executive

14th May 2008

PETERHEAD PORT AUTHORITY

AUDITORS' REPORT TO THE MEMBERS OF PETERHEAD PORT AUTHORITY

We have audited the financial statements of Peterhead Port Authority for the year ended 31st December 2007 on pages seven to nineteen. These financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out therein.

This report is made solely to the Authority's members, as a body. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditors' 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 Authority, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF MEMBERS AND AUDITORS

As described on page four the Authority's members are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statutory Harbour Undertakings (Accounts, etc.) Regulations 1983. We also report to you, if in our opinion, the Report of the Members is not consistent with the financial statements, if the Authority has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding members' remuneration and other transactions is not disclosed.

We read the Convener's Report and the Report of the Members and consider the implications for our report if we become aware of any apparent misstatements therein.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of Peterhead Port Authority as at 31st December 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Statutory Harbour Undertakings (Accounts, etc.) Regulations 1983.

Bain Henry Reid
Chartered Accountants
Registered Auditors
28 Broad Street
Peterhead

20th May 2008

PETERHEAD PORT AUTHORITY

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2007**

	Notes	2007 £	2006 £
TURNOVER	2	6,625,472	6,382,846
Cost of services		3,028,830	2,835,347
GROSS PROFIT		<u>3,596,642</u>	<u>3,547,499</u>
Administrative expenses		1,092,852	1,079,309
OPERATING PROFIT		<u>2,503,790</u>	<u>2,468,190</u>
Share of profits / (losses) of subsidiary undertaking	11	201,724	(13,009)
Investment income	5	<u>1,675,654</u>	<u>617,421</u>
		4,381,168	3,072,602
Interest payable	6	617,109	662,860
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7	<u>3,764,059</u>	<u>2,409,742</u>
Tax on profit on ordinary activities	8	(2,540,373)	753,170
RETAINED PROFIT FOR THE PERIOD		<u><u>6,304,432</u></u>	<u><u>1,656,572</u></u>

CONTINUING OPERATIONS

None of the Authority's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The Authority has no recognised gains or losses other than the profits for the current year or previous year.

PETERHEAD PORT AUTHORITY

**BALANCE SHEET
AT 31ST DECEMBER 2007**

	Notes	£	2007 £	2006 £
FIXED ASSETS				
Tangible assets	9		37,642,990	37,649,023
Fixed asset investments	10		<u>1,051,788</u>	<u>850,064</u>
			<u>38,694,778</u>	<u>38,499,087</u>
CURRENT ASSETS				
Stock	12	10,444		10,475
Debtors	13	1,571,581		1,198,883
Investments	14	-		4,171,441
Cash at bank and in hand		<u>13,795,772</u>		<u>7,342,815</u>
		<u>15,377,797</u>		<u>12,723,614</u>
CREDITORS: amounts falling due within one year	15	<u>2,249,784</u>		<u>1,978,941</u>
NET CURRENT ASSETS			<u>13,128,013</u>	<u>10,744,673</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>51,822,791</u>	<u>49,243,760</u>
CREDITORS: amounts falling due after more than one year	16		<u>8,885,708</u>	<u>9,479,095</u>
			<u>42,937,083</u>	<u>39,764,665</u>
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred tax	18		-	3,137,661
Accruals and deferred income	19		<u>4,428,264</u>	<u>4,422,617</u>
			<u>4,428,264</u>	<u>7,560,278</u>
NET ASSETS			<u><u>38,508,819</u></u>	<u><u>32,204,387</u></u>
GENERAL RESERVES	22		<u><u>38,508,819</u></u>	<u><u>32,204,387</u></u>

The Financial Statements were approved on 14th May 2008 and signed by:

W J M R Mackie - Convenor

J E Wallace - Chief Executive

PETERHEAD PORT AUTHORITY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2007**

	Notes	2007 £	2006 £
NET CASH INFLOW FROM CONTINUING OPERATING ACTIVITIES	21	3,593,495	3,300,859
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		372,763	295,654
Dividends received		43,642	88,567
Interest paid		(625,055)	(677,230)
Cash outflow from returns on investments and servicing of finance		<u>(208,650)</u>	<u>(293,009)</u>
TAXATION			
UK Corporation tax paid		<u>(524,157)</u>	<u>(598,808)</u>
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(1,210,370)	(415,800)
Receipts from sale of tangible fixed assets		20,095	18,500
Government grants received		220,523	22,183
Cash outflow from capital expenditure		<u>(969,752)</u>	<u>(375,117)</u>
MANAGEMENT OF LIQUID RESOURCES			
Purchase of current asset investments		(104,222)	(420,281)
Proceeds from sale of current asset investments		5,219,964	3,841,123
Cash inflow from management of liquid resources		<u>5,115,742</u>	<u>3,420,842</u>
NET CASH INFLOW		7,006,678	5,454,767
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase in cash in period		7,006,678	5,454,767
Cash inflow from decrease in liquid resources		<u>(5,115,742)</u>	<u>(3,420,842)</u>
Change in net funds resulting from cash flows		1,890,936	2,033,925
Other non-cash changes		<u>944,301</u>	<u>227,213</u>
Movement in net funds in the period		2,835,237	2,261,138
Net funds at 1st January 2007		1,481,441	(779,697)
NET FUNDS AT 31ST DECEMBER 2007		<u><u>4,316,678</u></u>	<u><u>1,481,441</u></u>

PETERHEAD PORT AUTHORITY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2007**

ANALYSIS OF CHANGE IN NET FUNDS

	At 1st January 2007 £	Cash flows £	Other non-cash changes £	At 31st December 2007 £
Analysis of change in net funds:				
Cash and bank balances	7,342,815	6,452,957	-	13,795,772
Bank loans	(10,032,815)	553,721	-	(9,479,094)
Current asset investments	4,171,441	(5,115,742)	944,301	-
	<u>1,481,441</u>	<u>1,890,936</u>	<u>944,301</u>	<u>4,316,678</u>

PETERHEAD PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2007

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the invoiced value of services supplied, excluding value added tax and trade discounts.

Tangible fixed assets

Depreciation is provided on a straight line basis in order to write off each asset over its estimated useful life:

Harbour structures	- 25 to 50 years
Buildings and improvements	- 25 to 50 years
Plant and equipment	- 5 to 15 years
Motor vehicles	- 4 years
Leasehold improvements	- over the lease term

Investments in subsidiary

The profits or losses of the Authority's subsidiary, Peterhead Port Services, are accounted for under a separate heading in the profit and loss account. The fixed asset investment is increased by the profits or losses of Peterhead Port Services, and reduced by any distributions actually received from the subsidiary. No distributions have ever been received.

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Current asset investments

Current asset investments are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date.

Government grants

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related asset's useful life. Other grants are credited to the profit and loss account when received.

PETERHEAD PORT AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

2. TURNOVER	2007	2006
	£	£
Turnover consists entirely of sales made in the United Kingdom.		
Dues on ships	1,235,151	1,159,267
Dues on goods and passengers	3,603,971	3,549,549
	<u>4,839,122</u>	<u>4,708,816</u>
Rental income	935,982	946,204
General revenue and services	850,368	727,826
	<u>6,625,472</u>	<u>6,382,846</u>
3. MEMBERS' EMOLUMENTS		
Aggregate emoluments	<u>59,664</u>	<u>61,723</u>
4. STAFF COSTS		
Wages and salaries	1,332,339	1,241,269
Social security costs	126,877	116,466
Pension costs	120,549	113,488
	<u>1,579,765</u>	<u>1,471,223</u>
Less staff costs recovered from Peterhead Port Services	267,665	259,253
	<u>1,312,100</u>	<u>1,211,970</u>
The average weekly number of employees during the year was as follows:		
Administrative and managerial	23	23
Operating and maintenance	31	29
	<u>54</u>	<u>52</u>
5. INVESTMENT INCOME		
From listed investments	43,643	88,722
Bank interest receivable	687,709	301,486
Gain on realisation of investments	944,302	227,213
	<u>1,675,654</u>	<u>617,421</u>

PETERHEAD PORT AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

6. INTEREST PAYABLE	2007	2006
	£	£
Bank loan interest	617,109	661,542
Hire purchase interest	-	1,318
	<u>617,109</u>	<u>662,860</u>
7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after (crediting)/charging:		
(Gain)/Loss on realisation of investments	(944,302)	(227,213)
(Gain)/Loss on sale of tangible fixed assets	(15,343)	(943)
Auditors' remuneration for audit	8,000	7,500
Auditors' remuneration - non audit fees	750	-
Depreciation of tangible fixed assets	1,253,558	1,252,309
Amortisation of grants	(170,174)	(174,829)
	<u>1,253,558</u>	<u>1,252,309</u>
	<u>(170,174)</u>	<u>(174,829)</u>
8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES		
United Kingdom corporation tax at 30%		
Current	597,288	341,312
Deferred	(3,137,661)	376,911
	<u>(2,540,373)</u>	<u>718,223</u>
Under/(Over) provision in respect of prior years:		
Current	-	34,947
	<u>(2,540,373)</u>	<u>753,170</u>

No deferred tax provision is required following the withdrawal of balancing adjustments on the disposal of assets on which industrial buildings allowance has been claimed. Therefore the deferred tax provision at 31st December 2006 of £3,137,661 has been transferred to Profit and Loss Account.

PETERHEAD PORT AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

9. TANGIBLE FIXED ASSETS

	Current Developments £	Land, Buildings & Improvements £	Plant, Vehicles & Equipment £	Total £
Cost				
At 31st December 2006:	3,488	49,474,134	2,784,818	52,262,440
Additions	735,376	222,873	294,028	1,252,277
Disposals	-	-	65,374	65,374
At 31st December 2007:	<u>738,864</u>	<u>49,697,007</u>	<u>3,013,472</u>	<u>53,449,343</u>
Depreciation				
At 31st December 2006:	-	12,951,259	1,662,158	14,613,417
Charge for year	-	1,088,765	164,793	1,253,558
Disposals	-	-	60,622	60,622
At 31st December 2007:	<u>-</u>	<u>14,040,024</u>	<u>1,766,329</u>	<u>15,806,353</u>
Net Book Value				
At 31st December 2007	<u>738,864</u>	<u>35,656,983</u>	<u>1,247,143</u>	<u>37,642,990</u>
At 31st December 2006	<u>3,488</u>	<u>36,522,875</u>	<u>1,122,660</u>	<u>37,649,023</u>

Included within land and buildings are long leasehold structures with a NBV of £19,268,036 (2006: £19,706,190) and short leasehold structures with a NBV of £6,917,573 (2006: £7,249,894).

10. FIXED ASSET INVESTMENTS

**2007
£**

Peterhead Port Services:

At 1st January 2007	850,064
Profit/(loss) for year (note 11)	201,724
At 31st December 2007	<u>1,051,788</u>

Peterhead Port Authority wholly owns Peterhead Port Services which is an unincorporated association providing pilotage services within the Port of Peterhead.

Accounts prepared for Peterhead Port Services for the period to 31st December 2007 have been incorporated in note 11 to the accounts.

PETERHEAD PORT AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

11. PILOTAGE

The Statutory Harbour Undertakings (Pilotage Accounts) Regulations 1988 require the separate disclosure of revenue and expenditure applicable to pilotage activities. Pilotage at Peterhead is undertaken by Peterhead Port Services, which provides pilotage services for vessels visiting the Port of Peterhead. The income and expenditure for Peterhead Port Services for the year ended 31st December 2007 is summarised as follows:

	2007	2006
	£	£
Revenue from pilotage services	<u>502,490</u>	<u>385,990</u>
Aggregate expenditure incurred on:		
Providing the services of a pilot	139,216	201,931
Providing, maintaining and operating the pilot boat	149,402	156,442
Administration and other costs	97,206	79,938
Total pilotage expenditure	<u>385,824</u>	<u>438,311</u>
Profit/(loss) on pilotage activities	116,666	(52,321)
Profit on other activities	114,897	21,260
Taxation	29,839	18,052
Profit/(loss) for year	<u>201,724</u>	<u>(13,009)</u>

12. STOCK

	2007	2006
	£	£
Spare parts and consumables	<u>10,444</u>	<u>10,475</u>

13. DEBTORS

	2007	2006
	£	£
Amounts falling due within one year:		
Trade debtors	943,378	1,003,821
Other debtors	451,108	85,172
Prepayments and accrued income	177,095	109,890
	<u>1,571,581</u>	<u>1,198,883</u>

PETERHEAD PORT AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

14. INVESTMENTS	2007	2006
	£	£
Listed investments at cost		
At 1st January 2007	4,171,441	7,365,070
Additions	-	420,281
Disposals	(4,171,441)	(3,613,910)
At 31st December 2007	<u>-</u>	<u>4,171,441</u>
Market value	<u>-</u>	<u>4,954,001</u>

As at 31st December 2007 £nil (2006: £57,616) cash was included in the portfolio totals given above.

15. CREDITORS: amounts falling due within one year:	2007	2006
	£	£
Current instalment due on loans	593,386	553,720
Trade creditors	298,635	323,169
Corporation tax	414,288	341,157
Other taxes and social security costs	57,595	55,426
Other creditors and accruals	885,880	705,469
	<u>2,249,784</u>	<u>1,978,941</u>

16. CREDITORS: amounts falling due after more than one year:		
Bank Loans	8,885,708	9,479,095
	<u>8,885,708</u>	<u>9,479,095</u>

PETERHEAD PORT AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

17. BANK LOANS	2007	2006
	£	£
Repayable by instalments over 20 years to 2020 Bank loan at 7.5% per annum (fixed)	2,428,513	2,535,515
Repayable by instalments over 15 years to 2018 Bank loan at 5.99% per annum (fixed)	7,050,581	7,497,300
	<u>9,479,094</u>	<u>10,032,815</u>
Included in current liabilities	593,386	553,720
Included in non-current liabilities	8,885,708	9,479,095
	<u>9,479,094</u>	<u>10,032,815</u>

Bank loans are secured by standard securities over heritable property and by assignment of revenues from Peterhead Port Authority.

18. PROVISION FOR LIABILITIES AND CHARGES

	2007	2006
	£	£
Deferred taxation:		
Tax effect of timing differences because of:		
Excess of capital allowances over depreciation	-	4,311,238
Tax Losses	-	(1,173,577)
	<u>-</u>	<u>3,137,661</u>

The movement on the provision for deferred taxation is as follows:

At 1st January 2007	3,137,661
Transfer from/(to) profit and loss account	(3,137,661)
At 31st December 2007	<u>-</u>

PETERHEAD PORT AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

19. ACCRUALS AND DEFERRED INCOME	2007	2006
	£	£
Grants		
At 1st January 2007	4,422,617	4,524,244
Received during year	175,821	73,202
Amortisation in year	(170,174)	(174,829)
At 31st December 2007	<u>4,428,264</u>	<u>4,422,617</u>

20. STAFF COSTS

Peterhead Port Authority participates in the Aberdeen City Council Pension Fund which is part of the local Government Pension Scheme (Scotland), a multi-employer, defined benefits scheme.

Under the Aberdeen City Council Pension Fund the contribution rate required for Peterhead Port Authority is set on a grouped basis, combining the experience of the employer with a number of other employers also participating in the Fund.

Assets and liabilities of the Fund are not separately identified between the various employers participating as part of the triennial actual valuation and cannot otherwise be separately identified on a consistent and reasonable basis. As a result Peterhead Port Authority is unable to identify its relevant share of underlying assets and liabilities in the Fund. These accounts have therefore been drawn up in accordance with FRS17 on the basis that the pension cost is accounted for as a defined contribution scheme.

Information about the overall funding position of the Aberdeen City Council Pension Fund has been provided by the actuary to the Fund on the actuarial valuation of the Scheme at 31st March 2005. The valuation shows that the overall funding position of the Scheme as a whole was 84.3%, the deficit being £243.4 million.

21. NET CASH INFLOW FROM CONTINUING OPERATING ACTIVITIES

	2007	2006
	£	£
Operating profit	2,503,790	2,468,190
Depreciation of tangible fixed assets	1,253,558	1,252,309
(Gain)/Loss on sale of tangible fixed assets	(15,343)	(943)
Amortisation of grants	(170,174)	(174,829)
(Increase)/Decrease in stock	31	562
(Increase)/Decrease in debtors	(102,451)	(488,099)
Increase/(Decrease) in creditors	124,084	243,669
Net cash inflow from continuing operation activities	<u>3,593,495</u>	<u>3,300,859</u>

PETERHEAD PORT AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

22. GENERAL RESERVES

**2007
£**

At 1st January 2007	32,204,387
Retained profit for the year	6,304,432
At 31st December 2007	<u><u>38,508,819</u></u>

23. FINANCIAL COMMITMENTS

At 31st December the Authority had annual commitments under non-cancellable operating leases as follows:

	Land
Expiring within 1 year	-
Expiring within 2-5 years	-
Expiring in over 5 years	<u><u>52,662</u></u>